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IN THE

Supreme Court of the United States

OCTOBER TERM, 1964

FEDERAL TRADE COMMISSION, *Petitioner*

v.

CONSOLIDATED FOODS CORPORATION, *Respondent*

On Writ of Certiorari to the United States Court of Appeals for the Seventh Circuit

CONSOLIDATED'S ANALYSIS OF THE RECIPROCITY EVIDENCE

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February 18, 1965

THE RECIPROCITY SUPPLEMENT

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CONSOLIDATED'S ANALYSIS OF THE RECIPROCITY EVIDENCE

This supplement to Consolidated's brief, called the "Reciprocity Supplement," contains:

1. An analysis of the evidence with respect to all companies mentioned in the reciprocity evidence introduced by Commission counsel. (Pages 5 to 84)

2. A summary of the evidence showing that Gentry was at least equal to its competitors in price, service and quality during the years 1951-1958. (Pages 85 to 115)

The significance of the detailed company-by-company analysis is twofold. It shows that not only "silent reciprocity" but even repeated overt reciprocity attempts were

unsuccessful in practically all instances. It also demonstrates the reasons why they were unsuccessful—reasons which will continue to be present and will prevent any probability of substantial effect in the future.

The significance of the price, service and quality evidence is that it shows that this record simply will not support the conclusion that Gentry was competitively inferior. To be sure, it had its competitive problems from time to time—but the record as a whole shows that Gentry was more than equal to the other onion and garlic producers in terms of overall price, service and quality competition.

DESCRIPTION OF THE RECIPROCITY EVIDENCE

It was the Commission that established the evidentiary structure for this case in an attempt to show that there were many instances of reciprocity attempts and that these as well as the so-called "tacit accommodative reciprocity" were effective. The Commission placed in evidence numerous documents taken from the files of Gentry and its competitor, Basic Vegetable Products, Inc., referring to reciprocity contacts. Also, the Commission offered data showing purchases from Gentry and sales to Consolidated by some of these companies (and other companies not mentioned in the documents) in an effort to establish by the coincidence of these two facts that reciprocal buying occurred.

To meet this hearsay and circumstantial evidence, Consolidated called witnesses from a large number of the 70 companies mentioned in the evidence introduced by the Commission. Then, to insure that the direct evidence covered a fair cross-section of Gentry's customers subject to the alleged purchasing power, Consolidated called witnesses from 25 companies which were both major Gentry

customers and suppliers to Consolidated but which were not involved in the Commission's evidence.

Discussed in this supplement are companies named in the documents and data offered by the Commission.[1] Not discussed in this supplement are the witnesses from the 25 major Gentry customers which were not involved in the Commission's case. The significance of their testimony lies in the rejection of reciprocity as a factor motivating purchases and their detailing of the price, service and quality reasons that motivated them to buy from Gentry.

A few figures will suffice to show the very significant amount of the market which was represented in the evidence offered by Consolidated. The 51 companies represented by witnesses purchased an aggregate of 3,065,972 pounds of dehydrated onion and garlic in 1958, about 37% of Gentry's total sales. If we exclude from Gentry's total sales the purchases by its major customers that could not reasonably have been susceptible to reciprocity because they never sold anything to Consolidated (RX 191, R. 2489; RX 411), the percentage of witnesses' purchases to total Gentry sales is over 45%.

If Consolidated's purchases had no substantial effect with the companies analyzed in this supplement or with the 25 representative major customers, there is no reason to believe that they were any more effective with those not covered by the evidence. Indeed, there is really no legal support for any inference based on the Commission's case that recip-

[1] The companies discussed are arranged in alphabetical order, except that 31 companies which purchased little or nothing from Gentry in the years 1951 to 1958 are discussed as a group at page 80. A complete alphabetical index for all companies discussed appears at page 119. The table at page 122 contains an alphabetical list of the 25 major customers and the record pages at which testimony by the witnesses from the companies appears.

rocal buying existed with companies not included in the evidence. And there is no reason to believe that Consolidated's purchases will induce any more sales for Gentry in the future than they have in the past.[2]

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[2] Reference to the record is made as follows: (R. 000). For exhibits, the citation will include both the exhibit number and the record pages at which the exhibit appears. The record pages at which the exhibits were received in evidence are listed in the table at page 129. By its order of September 26, 1963, the court of appeals permitted the parties to refer to certain statistical exhibits (CX 220-224; RX 154-157; RX 394; RX 411-413) without printing them in the record. For these exhibits, citation is to the exhibit number only. A general description of record sources for data appears at page 117.

ANALYSIS OF THE RECIPROCITY EVIDENCE BY COMPANIES

AMERICAN HOME FOODS

American Home Foods is a processor of many food specialties, including Chef Boy-Ar-Dee Italian foods. American's sales increased from $15 million in 1950 to $65 million in 1958 due to the introduction of new quality products and aggressive marketing. Sales to Consolidated have increased to about $500,000 per year. (R. 398-399, 825-830)

The Commission's Evidence

The only evidence introduced by Commission counsel consisted of Consolidated's purchases (R. 398-635) and Gentry's sales (CX 224Z18), apparently on the theory that this alone would be sufficient to support the conclusion that reciprocity was responsible for Gentry's sales.

Absence of Reciprocity Effect

The data introduced by Consolidated shows that both Gentry and Basic have sold to American's Milton plant since 1950 but that Gentry has never been successful at the Oakland plant which buys all of its very substantial needs from Basic. Gentry's only sale to the Rochester plant was made prior to the time when Gentry became a Consolidated division. Gentry has made small sales at the Morris Plains plant since 1953 (RX 135, R. 2447; RX 146, R. 2456; figures in pounds; blank means no purchase):

GENTRY

Year	Milton Plant		Morris Plains Plant	Oakland Plant	Rochester Plant
	Onion	Garlic	Onion		Onion
1946-1948					
1949	50				
1950	30,000				8,000
1951	110,250	3,000			
1952	32,300	3,000			
1953	94,325	7,150	3,500		
1954	115,325	6,060	2,000		
1955	165,575	29,040	3,000		
1956	285,233	68,040	2,000		
1957	410,325	80,880	1,200		
1958	373,400	75,480	2,400		

BASIC

Year	Milton Plant		Morris Plains Plant	Oakland Plant		Rochester Plant
	Onion	Garlic	Onion	Onion	Garlic	Onion
1946-1952	No Data			No Data		No Data
1953	No Data		2,000	No Data		No Data
1954	No Data		4,000	No Data		No Data
1955	241,000	50,000	2,500	138,682	30,600	No Data
1956	405,000	75,000	3,000	154,728	27,723	No Data
1957	483,000	75,000	3,700	221,390	48,180	No Data
1958	483,000	90,100	4,075	177,890	31,500	No Data

Consolidated called three American Home Foods executives who were able to explain the reasons for the purchases from Gentry and the greater success of Basic at American Home Foods plants.

Dr. Richard Reinecke, a Vice President since 1947 (R. 825, 834), explained the reason for Gentry's failure to sell anything to the Oakland plant. Because of an historic personal relationship between Basic and the purchasing people at Oakland, Oakland has always purchased substantial quantities of dehydrated onion and garlic (about 270,000 pounds in 1957) from Basic. (R. 831; RX 135, R. 2447)

The reasons for the purchases from Gentry at the Milton plant, the only plant where Gentry enjoyed substantial success, were explained by the plant's Purchasing Agent for fifteen years, John Romei. From 1946 to 1950, Basic, which was Romei's initial supplier after helping him convert from fresh to dehydrated onion, was his sole supplier because his volume did not warrant a second source. With the advent of the Korean War in 1950, Romei felt the need for a second source of supply. Romei selected Gentry because investigation convinced him that Gentry was the only producer other than Basic that could supply a consistently good quality dehydrated product. Also, Gentry shifted the servicing of the Milton account to a distributor whose salesmen were more likable to Romei than Gentry's salesmen had been. (R. 844, 845-848, 854, 856-858)

In 1951, the Milton plant was packing Government rations and needed more onion. Onion was scarce and Gentry was able to help, so Romei increased his purchases from Gentry. (R. 847, 849, 854)

Romei's need for a solid second source of supply for onion and garlic was reinforced about 1954 as Milton's requirements increased due to the dramatic growth of consumer

demand for Italian foods. Therefore, he adopted a policy of giving Basic roughly 60% of his business and Gentry about 40%, in accordance with his basic policy of having one major and a good secondary source. (R. 847, 849, 852-854, 856-857)

Romei explained that both Gentry and Basic face the prospect of losing most of their substantial business at the Milton plant in the near future. Recently, the Milton plant has stopped using dehydrated garlic in favor of oil of garlic, has been experimenting with oil of onion and is planning to convert entirely to oils in most products. (R. 845, 850-851)

To present the complete story of the insignificant purchases made at Morris Plains, Consolidated itself brought out the only reciprocity document concerning an American Home Foods plant. (RX 136, R. 2448) In 1952 an American Home Foods sales manager inquired of Dr. Reinecke in New York whether Morris Plains was buying from Gentry. He wrote to Reinecke because it is routine for potential vendors to come to New York to find out where to go to sell their products, and such inquiries are directed to Reinecke's office. (R. 832-833) Reinecke's reply memorandum suggested that the sales manager tell his "Consolidated friends" that a Gentry salesman would be given consideration if he called at Morris Plains. (RX 136, R. 2448) Reinecke explained that in accordance with his routine procedure of arranging for a courtesy interview, he sent a copy of the memo to Morris Plains. (R. 832-833)

Consolidated called the Production Manager of the Morris Plains plant, Frank Cooley (R. 965), and asked him to explain his purchasing decisions. Cooley testified that neither the receipt of Reinecke's memorandum nor the fact that Consolidated was a customer influenced his decision

to buy from Gentry. (R.966-967, 968) Reinecke's routine memorandum only alerted him to expect a call from Gentry, which had never before sent a salesman to see him. (R. 966-967, 968, 969-970) When he found that Gentry equalled Basic in quality, price and service, he gave Gentry some business in order to have a second source of supply in accordance with his usual practice. Basic, his old reliable source, continued to get the bulk of the business. (R. 967, 969, 971)

ARMOUR & COMPANY

Armour is a meat packer and canner which sells a variety of highly advertised products throughout the country. Of Armour's total 1958 sales of $1,800,000,000, about $1,000,000 were to Consolidated. (R. 1609-1610)

Evidence of Reciprocity Contact

Commission counsel offered documents from the files of Basic and Gentry to show that Consolidated made reciprocity contacts with Armour. (CX 135, R. 2183-2185; CX 213, R. 2299) Consolidated called Armour's Purchasing Agent, Franklin (R. 1609-1610), who testified to a meeting he had with a Gentry salesman and a Consolidated executive at which Consolidated's purchases of Armour's products were discussed. (R. 1613-1614) Two years later, the same Consolidated executive wrote Mr. Specht, Armour's President, stating:

> "[Consolidated] continues to buy Armour canned meats for its group but Armour has given Gentry a rough time and we are wondering why. Gentry can manufacture products for your company to your specifications and we know the price is in

line with competition. I would appreciate very much knowing why our Gentry Division is being bypassed." (RX 382, R. 2643)

Absence of Reciprocity Effect

Gentry got no business because of the reciprocity contact according to Franklin, who selected Armour's dehydrated onion and garlic suppliers after 1950. (R. 1610) He denied the truth of a Basic memorandum (CX 135, R. 2183) which reported that Franklin had given Gentry a 2,000-pound order after talking with Specht. (R. 1614-1616) He not only saw the Consolidated letter to Specht, he furnished information for Specht's reply (R. 1615), which stated:

> "I can assure you that it is the desire of our people to reciprocate and cooperate with you in any way we can in line with good business practices, and I am sure that if our quality obstacles can be overcome, your quotations will receive favorable consideration. We value our relationship with you very highly and are disappointed that we have been unable lately to reciprocate for your fine cooperation on Armour Pantry Shelf Meats." (RX 383, R. 2645)

The evidence that reciprocity was ineffective is substantiated by the data on Armour's purchases of dehydrated onion and garlic, which shows that Gentry was Armour's secondary source of supply in 1949, before the merger. And Gentry was replaced by Puccinelli in 1956—since 1955 Armour has purchased almost nothing from Gentry (RX 381, R. 2642; figures in pounds; blank means no purchase):

Year	Gentry		Basic		Puccinelli	
	Onion	Garlic	Onion	Garlic	Onion	Garlic
1946			No Data		No Data	
1947	1,000		No Data		No Data	
1948	1,850	300	No Data		No Data	
1949	8,960	3,900	22,717	7,540	No Data	
1950	9,950	2,880	16,775	4,500	No Data	
1951	19,075	3,900	47,599	13,010	No Data	
1952	9,160	1,020	54,640	19,080	No Data	
1953	4,010	430	44,050	11,880	No Data	
1954	4,330	120	78,256	20,460		
1955	14,325	60	141,196	30,900		
1956	150		91,965	16,860	61,000	11,730
1957	5,010		63,950	16,140	40,000	24,180
1958			40,500	25,000	2,500	1,830

Franklin explained that Armour, while preferring Basic for quality reasons, has kept open a second source of supply. For this reason, Gentry received occasional orders. As Armour's secondary supplier, Gentry was able to sell as much as one-half the amount sold by Basic in only one year—1950, the year before the merger. Armour switched from Gentry to Puccinelli as its second source of supply in 1956 because of an attractive price. (R. 1612-1613; corroborated by RX 1-2, R. 2321-2322; RX 7-9, R. 2325-2326; RX 17, R. 2333)

BEDFORD PRODUCTS, INC.

Bedford, which processed jellies and preserves, has gone out of business and its plant is now operated by Kraft Foods. (R. 387) Bedford had annual sales of approximately $100,000,000 (R. 408) and had sold private label products to various Consolidated units for many years, beginning prior to 1951. (R. 387-641)

Evidence of Reciprocity Contact

Gentry and Basic documents offered by Commission counsel indicate that reciprocity contact was considered and may have been made. Gentry salesmen, disappointed because Bedford gave all its business to Basic even though Gentry worked to convert Bedford from fresh to dehydrated onion, wanted help from Consolidated. (CX 28-29, R. 2024-2025) A Basic memorandum, which the Hearing Examiner characterized as "very highly speculative hearsay" (R. 668), states:

> "Gentry • • • approached Bedford • • • a few years ago and stated that Consolidated was buying from Bedford and since Gentry was owned by Consolidated, some onion business should be placed with Gentry." (CX 169, R. 2241-2242)

Absence of Reciprocity Effect

Since Bedford has gone out of business, no witness was called by Consolidated. However, there is no reliable evidence that reciprocity was effective with Bedford. Basic documents only speculate that reciprocity produced business for Gentry. (CX 169, R. 2241-2242; CX 198, R. 2278; CX 200-201, R. 2279-2280) These conjectures are rebutted by the only reliable evidence—data which shows that Bed-

ford used Basic as its primary supplier and bought from Gentry in only three years (CX 219, R. 2305; CX 220Z84; RX 156, p. 205; figures in pounds; blank means no purchase):

Year	Gentry	Basic
1946-1951		
1952	250	
1953		3,600
1954	3,000	2,520
1955		2,520
1956	3,000	2,025
1957		
1958		No Data

Even if reciprocity was effective with Bedford, and there is only speculative hearsay to indicate that it was, the data shows that it was insignificant because Bedford's total purchases from Gentry were minimal and Basic continued to be the regular supplier.

BEECH-NUT LIFE SAVERS, INC.

Beech-Nut processes baby food, coffee, gum and candy under its own nationally advertised label. In 1958 Beech-Nut had total sales of $100,000,000 and its sales to Consolidated were $250,000, representing an increase since 1950. (R. 543, 876-877)

Evidence of Reciprocity Contact

Commission counsel offered Gentry documents indicating only that a reciprocity approach was considered. A Gentry

salesman listed Beech-Nut as one of "The Unholy 15" Consolidated suppliers who preferred to buy from Basic (CX 7, R. 1992-1994), and a Gentry executive asked another salesman to discuss the matter with Mr. Kennedy of Consolidated to see if he could do anything "from a top management level to help Joe along." (CX 6, R. 1990-1991) However, Robert E. Robinson, Director of Purchases at Beech-Nut who was called by Consolidated, testified that he had no reciprocity communication. (R. 875, 883)

Absence of Reciprocity Effect

Robinson testified that the fact that Consolidated is a customer has had no effect on Beech-Nut's onion purchases. (R. 883) This testimony is confirmed by data showing that although Gentry was Beech-Nut's principal supplier in 1947, Basic was its primary supplier from 1948 to 1958 (RX 138, R. 2450; figures in pounds; blank means no purchase; no garlic purchased):

Year	Gentry	Basic
1946		16,000
1947	31,994	
1948	2,500	10,780
1949		98,640
1950		35,024
1951		70,356
1952		23,606
1953		109,227
1954	10,000	1,500
1955		96,088
1956	11,000	60,500
1957	38,008	53,000
1958		63,125

Having participated in the selection of Beech-Nut's onion supplier during these years (R. 876), Robinson was able to give the business reasons which caused Beech-Nut to stop purchasing from Gentry in 1949 and resume in 1954. Beech-Nut discontinued purchasing from Gentry in 1949 because Gentry's product contained more wood splinters than Basic's. (R. 880, 895) From 1949 to 1954, Beech-Nut was interested in having a second source but knew of none which was satisfactory. (R. 887-888, 892-893, 895) When Beech-Nut's San Jose plant reported that Gentry had solved the wood splinter problem by installing new equipment in 1954, Beech-Nut began to make purchases from Gentry and continued to do so in subsequent years.[3] (R. 880-881; RX 138, R. 2450; RX 140, R. 2452) However, Beech-Nut continued to buy most of its requirements from Basic. (R. 882, 885)

BLUE SEAL FOOD PRODUCTS, INC.

Blue Seal manufactures salad dressings mostly under the private labels of its customers, which include wholesale grocers and retail food chains. (R. 1843) Its total sales are about one million dollars per year. (R. 408) In the years 1950 to 1958, Blue Seal's sales to Consolidated declined substantially—from $134,000 in 1950 to $12,000 in 1958. Consolidated bought less from Blue Seal because it started packing its own salad dressings. (R. 1843-1844, 1848)

[3] While the above data shows no purchases from Gentry in 1955 or 1958, this is because the data is based on deliveries. Actually, orders were placed by Beech-Nut with Gentry in 1955, and in 1958 Beech-Nut probably used a carryover from 1957. (RX 140, R. 2452; R. 881-882, 890, 896-898)

Evidence of Reciprocity Contact

Commission counsel offered several reports by Basic salesmen stating that reciprocity contacts were made by Consolidated and Gentry with Blue Seal. (CX 203-205, R. 2283-2284) While these contacts may have been made, they did not reach the Purchasing Agent, James Christian, who was called by Consolidated and testified that he had no communication with anyone about any relationship between Blue Seal's sales to Consolidated and its purchases from Gentry. (R. 1844, 1847)

Absence of Reciprocity Effect

The only evidence of reciprocity effect was the hearsay and conjecture contained in Basic call reports. The Basic salesman reported that Blue Seal was splitting its business in 1955 because of the Gentry-Consolidated tie-up and that Blue Seal had to take in over 5,000 pounds of onion and garlic in 1956 in return for a Consolidated contract to purchase salad dressings. (CX 203-205, R. 2283-2284)

Unimpeached testimony and undisputed data show that reciprocity was ineffective. Christian testified that Basic did not lose and Gentry did not gain business because of the Consolidated-Gentry relationship. (R. 1846-1847) The data on Blue Seal's purchases of onion and garlic, as explained by Christian, supports this conclusion (RX 416; R. 2652; figures in pounds; blank means no purchase):

	Gentry		Basic		Puccinelli	
Year	Onion	Garlic	Onion	Garlic	Onion	Garlic
1946						
1947						
1948					930	
1949					710	
1950					985	
1951			250		1,350	
1952			2,100	30	450	
1953			2,800	30		
1954			2,950			
1955	3,500	180				
1956	4,780	675				
1957	4,250	750	2,100	520		
1958	4,860	2,250	2,450	60		

Christian gave good business reasons for the shift from Puccinelli to Basic in 1952 and from Basic to Gentry in 1955. After purchasing exclusively from Puccinelli for some years, Blue Seal changed to Basic in 1952 because Basic offered a better price. In 1955, Blue Seal switched from Basic to Gentry because Gentry had a better price and a better product for Blue Seal's purposes. In 1957, Blue Seal began to split its business between Basic and Gentry because Basic met Gentry's price and obtained laboratory approval of its products. (R. 1845; RX 28, R. 2343; RX 30, R. 2344; RX 32, R. 2347)

According to the man who did the purchasing, no reciprocity efforts reached his ears and reciprocity played no part in his buying. This conclusion is corroborated by the fact that Gentry made its sales during a period when Blue Seal's sales to Consolidated declined substantially because Consolidated was packing more of its own dressings.

BLUEPOINTS COMPANY, INC.

From 1951 to 1956 Bluepoints produced canned clams and chowder under its own label and those of its customers. Bluepoints, which now processes other shellfish, operated as a division of General Foods until 1953. (R. 900-902) During the years it processed clams, Bluepoints' annual sales to Consolidated were about $20,000 and its total annual sales averaged $1,500,000. (R. 903)

Evidence of Reciprocity Contact

Commission counsel offered a Basic call report which quoted the Bluepoints buyer (Schaeff) as saying that he had "no alternative" but to give his business to Gentry because the Gentry salesman mentioned that Consolidated was a customer. (CX 208, R. 2289)

Absence of Reciprocity Effect

Consolidated called the Bluepoints buyer, Schaeff, who testified that the fact that he sold to Consolidated had no effect on his purchases from Gentry. (R. 889-900, 911) Indeed, Schaeff testified that if the Gentry salesman had mentioned Consolidated, he would not have obtained any business. (R. 909-910)

Since Bluepoints used dehydrated onion only in the clam products it produced from 1951 to 1956 (R. 901-903), it bought from Basic and Gentry for only a few years (RX 141, R. 2453; figures in pounds; blank means no purchase; no garlic purchased):

Year	Gentry	Basic
1946-1950		
1951		3,000
1952	30	2,500
1953	1,450	276
1954	1,375	366
1955	2,800	431
1956		
1957		

In 1951, General Foods transferred its production of clam chowder to Bluepoints and gave Bluepoints its formula and list of suppliers. Bluepoints bought from Basic because it was on this list. (R. 904) From 1953 to 1956, Bluepoints bought most of its onion from Gentry because the Gentry salesman (1) was more likable and called more frequently than the Basic salesman, and (2) offered suggestions to help Bluepoints improve its clam chowder. (R. 907-908) Basic's lack of diligence in calling on this account is corroborated by Basic's records showing that a Basic salesman called only twice during the period from February, 1952 to 1956. (CX 209, R. 2290-2291)

Gallo, the Basic salesman, was called by Commission counsel as a rebuttal witness. On cross-examination, he corroborated Schaeff's testimony that the Basic call report which Gallo had written (CX 208, R. 2289) was not true. He admitted that he "did not spend very much time" with Bluepoints because he did not consider it an important customer and could not state that Basic lost business at Bluepoints because of the Consolidated-Gentry relationship. (R. 1936-1938, 1969)

CAMPBELL SOUP COMPANY

Campbell is a processor of Campbell's canned soups, Franco-American Italian foods and Swanson's frozen foods. Campbell's sales, which have increased progressively due to advertising and the production of quality products, were $501,000,000 in 1958. Sales to Consolidated in 1958 were less than one per cent of that total, an increase from prior years. (R. 1800-1801, 1804)

Evidence of Reciprocity Contact

The evidence indicates that although a reciprocity contact was planned, it was never executed. Commission counsel offered a 1951 Gentry salesman's report stating that a Consolidated executive would contact Nixon, Vice President in Charge of Sales at Campbell, on Gentry's behalf. (CX 38, R. 2034-2035) Consolidated called Mr. Nixon and Charles Shaw, Manager of Purchasing in Campbell's general offices, and each testified that he never received any reciprocity communication. (R. 956, 1801-1803)

Absence of Reciprocity Effect

There is absolutely no evidence showing that reciprocity was a factor affecting Campbell's purchases. Shaw was directly responsible for purchasing garlic at the Camden plant in 1952, the year Campbell began purchasing from Gentry. He testified that the fact that Consolidated was a customer of Campbell's had no effect on his decision to buy

dehydrated garlic from Gentry for the Camden plant.[4] (R. 952-953, 955-956)

The lack of reciprocity effect is substantiated by the data, which shows that Campbell's purchases of dehydrated garlic from Gentry have been sporadic and relatively small (RX 145, R. 2456; RX 156, p. 148; figures in pounds; blank means no purchase):

	Gentry	
Year	All Plants	Camden Plant
1946-1951		
1952	5,817	3,930
1953	6,840	6,840
1954	1,020	
1955	5,850	
1956	600	
1957	6,480	4,020
1958	3,120	2,100

According to Shaw, Basic was the primary supplier at the Camden plant. From 1954 to 1958, the only period for which he had comparative records, this plant purchased less than one-half its dehydrated garlic requirements from Gentry. (R. 954)

Campbell's purchasing procedures would effectively prohibit any reciprocity effect. Campbell's Research Department establishes ingredient specifications and sends them

[4] Except in the years 1948-1951, when it purchased small quantities of dehydrated onion, Campbell has used only fresh onion in its products. Campbell has more than nine plants and each purchases its own dehydrated garlic. (R. 953) While Shaw could not testify as to the reasons for garlic purchasing at all nine of these plants, most of Gentry's sales were to the Camden plant.

to the Purchasing Department and the Control Laboratory. The Planning Department then notifies the Purchasing Department of the quantities required and when delivery is required. The Purchasing Department buys at the lowest possible price the ingredients meeting the Research Department's specifications. It is also the responsibility of the Purchasing Department to obtain as many sources of supply as possible so that it can get the best trading advantage. When materials are delivered, the Control Laboratory inspects the materials and determines whether or not they meet specifications. This procedure has been followed in purchasing dehydrated garlic at the Camden plant. (R. 954-955)

COLLEGE INN FOOD PRODUCTS, INC. and RIVAL PACKING COMPANY

College Inn, a processor of canned tomato and chicken products, was acquired in 1953, not by Consolidated but by a corporation owned personally by Mr. Cummings, Chairman of the Board of Consolidated, and his family. (R. 1714-1715) Rival, processor of Rival dog food, was acquired by a company owned by Mr. Cummings in April, 1956. (R. 1715)

Evidence of Reciprocity Contact

The Basic documents offered by Commission counsel refer to "pressure" on College Inn to buy from Gentry in 1952. (CX 145-146, R. 2201-2202; CX 148-149, R. 2203-2204) While Basic's sales manager claimed in his testimony that reciprocity had been effective with Rival (R. 304), the Basic

reports merely refer to Rival's buying from Gentry in 1956 because "the man who recently took over Rival is tied up somehow with Consolidated." (CX 155-156, R. 2207-2209)

Absence of Reciprocity Effect

No witness was called by Consolidated because it is apparent that the inducement for College Inn and Rival to buy from Gentry resulted not from reciprocity but from the fact that these companies were personally owned by Mr. Cummings. The statistics show that College Inn purchased only 65 pounds of dehydrated onion from Gentry from 1951 to 1954; it was only after 1954, when it was acquired by Mr. Cummings, that College Inn gave all its business to Gentry. (CX 219, R. 2305; RX 155, p. 245) Rival bought from Basic in the years 1953-1955, but commencing in 1956, when it was taken over by Mr. Cummings, gave all its business to Gentry. (CX 219, R. 2305; RX 411, p. 136)

Even Basic's president recognized that reciprocity did not cause College Inn's change to Gentry in 1954. He wrote in that year that since College Inn had been bought by Mr. Cummings, "all of [College Inn's] business would naturally be placed with [Gentry]." (CX 153, R. 2206) The same reasoning applies to Rival, which changed from Basic to Gentry in 1956. A Basic salesman recognized this fact—he reported in 1956 that Gentry got business with Rival because of Rival's tie-up with Consolidated. (CX 155, R. 2207)

Thus, although the purchases from Gentry may be attributed to the affiliation of Gentry with Consolidated, they certainly did not result from Consolidated's purchasing power.

COLUMBIA CONSERVE COMPANY

Commission counsel offered one memorandum, written in 1952 by a Basic salesman, which states that reciprocity "has come up" at Columbia Conserve. (CX 126, R. 2167) However, the data shows that Columbia Conserve purchased regularly from Gentry before Gentry became part of Consolidated, purchased no more from Gentry in 1952 than it had previously, and has bought nothing from Gentry since 1953 (RX 411, p. 82; figures in pounds; blank means no purchase):

Year	Onion	Garlic
1949	10,425	180
1950	14,875	480
1951	8,101	180
1952	11,032	380
1953	2,250	60
1954-1958		

JOSEPH F. DE FRATES COMPANY

De Frates is a processor of chili con carne and other food items. (R. 319) De Frates never has been a Consolidated supplier. (RX 191, R. 2489)

Commission counsel offered only one document mentioning De Frates—a Basic report which states that Mr. De Frates, although he prefers Basic material, feels he must buy from Gentry because he hopes to sell to Consolidated. (CX 187, R. 2264) This document is, however, rebutted by four other reports from Basic's files, offered by Consolidated, which show that De Frates preferred Gentry's onion to Basic's because it did not cause his chili mix to cake. (RX 33-34, R. 2348-2349; RX 36-37, R. 2351-2352)

The data indicates that reciprocity was not a factor. Although De Frates never sold anything to Consolidated, it has purchased regularly from Gentry since 1951 but only sporadically from Basic. (RX 411, p. 105; CX 219, R. 2305)

GERBER PRODUCTS COMPANY

Gerber Products Company is a leading producer of baby foods which are sold coast to coast under the Gerber label. Sales of Gerber's baby foods have increased from $51,900,000 in 1952 to $114,000,000 in 1958, partly because of the nation's birth rate growth but mostly because of increased consumer demand created by advertising and promotion. (R. 1837-1838) Consolidated bought from Gerber long before 1950 and its purchases have since increased steadily — from $265,000 in 1952 to $924,000 in 1958. This increase has been due partly to Gerber's success and partly to Consolidated's acquisition of additional wholesale and retail units. (R. 1837-1838, 1842)

Evidence of Reciprocity Contact

The Commission's evidence showed that not only the Gentry salesmen but also Mr. Cummings, Chairman of the Board of Consolidated, made attempts to sell dehydrated onion to Gerber on the basis of Consolidated's purchases of Gerber baby foods. In 1951, Gentry's vice president wrote to his Chicago salesman:

> "First of all we note that Gerber Baby Foods are sold in 1,000 Cardinal stores and apparently that is perhaps enough pressure to see that you are very carefully considered as a source of supply for the materials going into the completed product." (CX17, R. 2011)

No sales were made by Gentry and in 1952 Gentry's sales manager wrote Gerber as follows:

> "Be assured of the fact that we want to work very closely with your company. We feel very close to your merchandise, for the obvious reason that it is to be found in all of our various divisions for sale to the buying public. We, in Gentry, realize that Gerber's Baby Food Products are a wonderful line and we are happy to see them selling exclusively in the divisions of our Consolidated Grocers Corp." (CX 20, R. 2017)

In 1954 a Gentry salesman reported that Mr. Cummings of Consolidated had asked a Gerber executive for consideration of Gentry's products since Consolidated bought substantial amounts from Gerber. (CX 24, R. 2021) Consolidated called Mr. Gerber and he testified that Mr. Cummings once discussed Consolidated's purchases with him. (R. 1840)

Absence of Reciprocity Effect

Mr. Gerber described what he did after his conversation with Mr. Cummings:

> "I called Mr. Kimball [Gerber's purchasing agent] and told him of our conversation over the telephone, and suggested that he consider Gentry as a source, but told him as I told him on many other similar instances, that it was still up to him to purchase whatever he could purchase to the best advantage." (R. 1841)

When Mr. Gerber stated that thereafter Gerber did decide to purchase from Gentry, he was asked what consideration had been given to the fact that Consolidated was a customer of Gerber in making that decision. Mr. Gerber replied:

> "Well, the fact that I called attention to Consolidated may have started some inquiry, but beyond

that I don't think a thing. Except, we did like more than one source of supply on all our products." (R. 1841)

Mr. Gerber's testimony that Gerber wanted a second source of supply was corroborated by both Basic and Gentry call reports. (CX 23, R. 2020; CX 25, R. 2022; RX 42, R. 2357)

The fact that Gentry was used only as a second source of onion is shown by the data, which also shows that from 1949 to 1958 Basic was Gerber's leading supplier (RX 415, R. 2681; figures in pounds; blank means no purchase; no garlic purchased):

	Gentry	Basic	
Year	Fremont Plant	Fremont Plant	All Plants
1946		No Data	No Data
1947		No Data	No Data
1948		No Data	No Data
1949		27,000	No Data
1950		50,500	No Data
1951	2,000	39,400	50,000
1952	15,000	58,050	63,350
1953		35,000	78,100
1954	20,000	21,000	82,000
1955	40,000	13,000	92,250
1956	20,000	54,000	74,000
1957	20,000	40,000	195,000
1958	20,000	40,000	114,500

Note: Gentry sold only to the Fremont plant.

When Gentry met Gerber's stringent quality standards, Gerber did buy some onion, approximately 20,000 pounds per year, for use at its Fremont plant. (CX 18, R. 2013-2014; CX 20, R. 2015-2018; CX 23-24, R. 2020-2021; CX 191, R. 2269; CX 195-196, R. 2272-2273; RX 40-43, R. 2355-2358). However, Gerber continued to buy twice as much from Basic for use at Fremont and bought its requirements

for all other plants exclusively from Basic. Basic continued to get the lion's share of the business—more than 195,000 pounds in 1957.

GIBBS & CO.

While the documents indicate that a reciprocity contact with Gibbs was considered in 1951 and made in 1953 (CX 6-8, R. 1990-1997; CX 14-16, R. 2006-2010), the data shows clearly that there was no effect. Gentry sold nothing to Gibbs until after it was acquired by Consolidated in 1954. (RX 395, R. 2662; CX 220Z47; RX 156, p. 35)

J. J. GIELOW & SONS, INC.

J. J. Gielow & Sons, Inc. processes pickles mostly under its own label. (R. 1596-1597) Gielow's total sales increased from $3,000,000 in 1947 to about $5,000,000 in 1958. Despite this overall trend, Gielow's sales to Consolidated decreased from $400,000 in 1947 to $75,000 in 1958. This substantial decrease resulted primarily from the fact that Consolidated packed more and more of its own pickles. (R. 1597-1598, 1602)

Evidence of Reciprocity Contact

Commission counsel introduced documents from Gentry's files showing that Gentry, having difficulty selling to Gielow, asked Consolidated to help. (CX 12-13, R. 2001-2005; CX 26-27, R. 2022-2024) The documents also show that Gentry personnel used the Consolidated relationship to persuade Gielow to buy from Gentry. Thus, a memo from one Gentry salesman to another states:

> "Let [Gielow] know, in no uncertain terms, we

are not happy at the switch and do not expect the old 'Vienese Waltz.'" (CX 27, R. 2024)

The fact of reciprocity contact was borne out by the testimony of Stimson, Gielow's Sales Manager (R. 1596), who was called as a witness by Consolidated. He testified that a Gentry salesman once suggested that he buy from Gentry, rather than Basic, because Consolidated bought from Gielow. (R. 1603-1604) Stimson testified that in 1953 a Consolidated buyer asked him to switch his business from Basic to Gentry. (R. 1601)

Reciprocity Effect

As Consolidated frankly brought out from its own witness, Mr. Stimson, reciprocity did obtain some business for Gentry. While Stimson ignored the original reciprocity suggestion of the Gentry salesman (R. 1603), he did change his purchasing policy following the later contact by the Consolidated buyer. (R. 1601) This change is indicated by the data on Gielow's onion and garlic purchases (RX 380. R. 2641; figures in pounds; blank means no purchase):

	Gentry		Basic	
Year	Onion	Garlic	Onion	Garlic
1946				
1947				
1948				
1949			3,622	2,520
1950	3,375	2,550	2,070	3,546
1951		150	7,520	8,640
1952	225	450	13,380	12,078
1953	1,100	450	10,200	10,692
1954	14,937	12,261		
1955	18,200	19,160		
1956	4,635	2,870		
1957	11,490	13,910		
1958	3,000	7,500		

While Gielow gave all its onion and garlic business to Gentry after 1954 because of a reciprocity contact, Stimson stressed that this was done only because Gentry's products were competitive. Gentry's price was no higher and, since Gielow used its onion and garlic for appearance, not flavor, any reliable supplier could be used. (R. 1600-1602, 1605-1606, 1608-1609)

It is noteworthy that even where reciprocity is a factor, there is no relationship between sales by Gentry and purchases by Consolidated. Consolidated's purchases from Gielow decreased steadily after 1950, with the result that its 1958 purchases amounted to less than one-fifth its 1947 purchases. Nevertheless, after 1954, Gielow bought exclusively from Gentry.

GROCERY STORE PRODUCTS COMPANY

Grocery Store Products Company makes Kitchen Bouquet, Cream of Rice and other nationally advertised food products. (R. 783-784, 794-795) Grocery Store Products' sales were estimated at $15,000,000 annually. (R. 409) Sales to Consolidated units, all made under Grocery Store Products' advertised labels, run about $50,000 to $100,000 per year and have increased since 1950 because of the growth of Consolidated and demand for the products of Grocery Store Products. (R. 785-786).

Evidence of Reciprocity Contact

Thirty-three reciprocity exhibits from Gentry's files were offered by Commission counsel. (CX 10-11, R. 1998-2001; CX 14-16, R. 2006-2010; CX 35-62, R. 2031-2062) These show that Gentry salesmen requested help and pressure

from Consolidated and that several reciprocity contacts were made over a period of years. A Consolidated buyer wrote Mr. Ross, President of Grocery Store Products, in 1952:

> "I do want to point out to you that Consolidated Grocers do have a number of divisions, one of which is their Gentry division. As you may know they are producers of special seasonings, dehydrated onion and garlic and chili peppers, etc. They are very nice folks and have good products and asked if I would please bring it to your attention so they might get a hearing on the possibility of of your using some of their products." (CX 42, R. 2041)

In April, 1955, Perlitz, a Consolidated Vice President, spoke to Grocery Store Products' Sales Vice President, Mr. F. L. Lamarche, about buying from Gentry. (CX 48-59, R. 2046-2059)

Absence of Reciprocity Effect

The documents, testimony and data show that the anticipated results of reciprocity pressure did not materialize. Although some of the Gentry documents consist of "thank you" notes to the Consolidated officials for their help, the optimistic predictions in these reports were followed by complaints by Gentry salesmen of a "run-around." (CX 43, R. 2042; CX 46, R. 2044-2045)

The Gentry reports of continuous frustration are confirmed by the data, which shows that except for 100 pounds of onion in 1954 and 10,022 pounds in 1955 purchased from Gentry, Grocery Store Products has always bought its requirements from Basic. (R. 786, 787; RX 130, R. 2444) Purchases from Basic increased from about 40,000 pounds in 1950 to about 60,000 pounds in 1958. (R. 787)

Consolidated called Mr. Ross, President of Grocery Store Products, who has controlled his company's purchasing policy since 1950 and knew about the reciprocity contacts on Gentry's behalf. (R. 787, 788, 790) He testified that neither the contacts nor his company's sales to Consolidated had any effect on purchases from Gentry. (R. 788, 791) He explained that the 100-pound order from Gentry in 1954 was for testing purposes—the Gentry salesman was trying to convince Grocery Store Products that it could use the much cheaper onion chips rather than sliced onion in Kitchen Bouquet. (R. 788-789; CX 56, R. 2055-2056; RX 53, R. 2366) When the tests were successful, Grocery Store Products converted to onion chips. Ross then told his purchasing agent (who had died before the hearing in this case) to give Gentry an "appreciation order" because of its help—this was the only reason for the purchase of 10,022 pounds from Gentry in 1955. (R. 790)

Ross stated directly that the 10,022-pound order in 1955 was not due to Consolidated's efforts on behalf of Gentry. (R. 791) He was asked about a letter written by a Gentry salesman to the Consolidated official who had discussed reciprocity with Lamarche, the Sales Vice President of Grocery Store Products, which stated:

> "I take pleasure in letting you know that because of your efforts we were instrumental in being able to sell the Grocery Store Products Company in West Chester, Penna. about 10,000 pounds of our White Onion Chips." (CX 60, R. 2060)

Ross testified that this statement was not accurate. (R. 792)

Aside from the 1955 "appreciation order," Grocery Store Products has continued to buy all of its requirements from

Basic, even though Gentry's quality has been as good or better than Basic's and even though Consolidated has been a very good customer. Ross testified that he believes in sticking with one supplier until he has a good business reason for switching and has remained loyal to Basic because Basic supplied all his company's needs during the war when onion was scarce. (R. 792; CX 54, R. 2053; RX 53-54, R. 2366-2367)

HABITANT SOUP COMPANY

Commission counsel offered one document in which a Gentry salesman asked for help in selling Habitant (CX 15, R. 2009)—but there is no evidence that any contact was made. Habitant was a Consolidated supplier at some time between 1951 and 1958 (RX 191, R. 2489)—but there is no evidence that Habitant's sales were related to Gentry's in any way. Habitant's purchases from Gentry averaged 22,000 pounds per year from 1951 to 1958. Its purchases fell far below this average after 1953, when the request for help was written, and did not climb back to the 1951-1952 level (average annual sales of more than 30,000 pounds) until 1956. (RX 411, p. 99) Only conjecture would support the conclusion that these purchases resulted from reciprocity.

GEORGE A. HORMEL & CO.

Hormel is a processor and canner of nationally advertised meat products with annual sales of three-quarters of a billion dollars. (R. 409) Consolidated units have purchased both canned and fresh meat from Hormel for many years. (R. 387-620)

Evidence of Reciprocity Contact

Commission counsel offered Basic documents reporting "pressure" on Hormel at Austin by Consolidated (CX 216, R. 2303; CX 218, R. 2304), together with Gentry documents indicating that reciprocity was considered and was discussed with Hormel. (CX 14, R. 2005-2008; CX 50, R. 2049; CX 121, R. 2162).

Absence of Reciprocity Effect

It was Basic's claim that reciprocity caused it to lose business with Hormel only at Austin, Minnesota. (R. 304, 323-324, 374-375) However, this claim is completely contradicted by the data alone: Gentry has never sold any onion or garlic to Hormel at Austin. (RX 154; RX 156, p. 95) Basic's sales increased steadily after 1949, reaching a high of 29,730 pounds in 1957, the last year for which data is available. (CX 219, R. 2305)

The absence of any relation between sales and purchases is evidenced by the fact that Consolidated's purchases from Hormel have increased even though Gentry has failed to sell anything. (R. 458, 501, 539, 592, 604, 612-613)

HUNT FOODS & INDUSTRIES, INC.

One of the divisions of Hunt Foods & Industries, Inc. is the Hunt Foods Division, which sells canned fruits and vegetables under its own labels to approximately 8,000 to 10,000 customers, including every major retail grocery chain and wholesale grocer. One of the Division's operating subsidiaries is E. Pritchard, Inc., which produces catsup and tomato sauce. From 1950 to 1960, Hunt's sales have

increased steadily due to consumer demand created primarily through intensive advertising, introduction of new products and improved quality. Aggregate purchases by all Consolidated units from Hunt in 1958 were about $450,000, less than one-half of one per cent of Hunt's total sales in that year. (R. 1070-1072, 1075-1076)

Evidence of Reciprocity Contact

Although reciprocity was considered, there is no evidence that any reciprocity contact was made. Commission counsel offered a Gentry salesman's report which asked for Consolidated's help in selling Pritchard (CX 7, R. 1992-1994), but a Gentry executive wrote that he doubted whether anything could be done. (CX 6, R. 1991) Consolidated called three Hunt executives, James Groom, Assistant Sales Manager, Irvin Goldoft, Southern Area Purchasing Agent, and John Davies, Director of Purchasing, all of whom testified that they never received any reciprocity communication. (R. 1073, 1082, 1088)

Absence of Reciprocity Effect

The purchasing executives of Hunt, who controlled all purchasing during the years in question, denied that reciprocity affected their decisions.[5] Goldoft, who selected Hunt's dehydrated onion and garlic supplier in 1954 and 1955, and Davies, who made the choices thereafter, each testified that the fact that Consolidated was a customer had no effect on his decisions to purchase Gentry's products. (R. 1082-1083, 1088, 1089)

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[5] Since 1946, the onion and garlic purchasing for all Hunt plants (including Pritchard) has been done on the West Coast. (R. 1080)

This testimony is supported by the data, which shows that since 1955 Hunt, while increasing its purchases from Basic, has turned to Gentry only as a second source to fulfill its rapidly growing requirements (RX 159, R. 2465; figures in pounds; blank means no purchase):

	Gentry		Basic	
Year	Onion	Garlic	Onion	Garlic
1946			No Data	
1947	6,000	3,600	No Data	
1948	150	300	No Data	
1949	500	450	No Data	
1950			68,300	15,800
1951			198,800	50,300
1952			186,500	33,700
1953			181,800	23,300
1954	150,500	29,720		
1955	151,443	43,740	186,757	
1956	163,600	19,560	179,900	34,600
1957	56,500	10,500	324,000	33,300
1958	146,250	26,100	229,950	24,300

Goldoft and Davies explained the business reasons for their respective decisions to switch to Gentry in 1954 and thereafter to continue using Gentry as a substantial second source of supply. In 1954, Gentry quoted a substantially lower price to Hunt. Since Gentry's quality had been approved by Hunt, Goldoft awarded Gentry all the business for that year. (R. 1087, 1091, 1093-1094)

Thereafter, Hunt purchased from both Basic and Gentry in order to have two sources of supply for its expanding needs. The prices quoted by Basic in 1955 were equal to Gentry's, and Goldoft, who was satisfied with Gentry's quality and service, decided to split the business about equally

between Basic and Gentry. (R. 1087-1088) Davies continued Goldoft's policies by splitting the business in 1956 and 1958, when price and quality were equal. Since Hunt was buying capsicums from Gentry, it split the onion and garlic business 60-40 in favor of Basic to equalize the dollar purchases made with each company. Basic was given the major portion in 1957 because it offered a lower price. (R. 1081-1082, 1084-1086)

ILLINOIS MEAT COMPANY

Illinois Meat Company (since October, 1959, a subsidiary of John Morrell & Company) packed a full line of canned meats sold, primarily under its Broadcast label, to wholesalers and retailers. Spurred by advertising, Illinois Meat's sales increased after 1950. Sales to Consolidated also increased, reaching $165,000 in 1958, which is less than one per cent of total 1958 sales. (R. 1815-1818)

Evidence of Reciprocity Contact

Commission counsel offered one Basic document referring to reciprocity (CX 213, R. 2299-2300) and other evidence established that a reciprocity contact was made. Consolidated called Clarence Brickman, Vice President and Manager of Illinois Meat (R. 1815), who testified that in 1951 a Consolidated executive, John Sarther, a family and personal friend of Brickman's, called to ask if Brickman could give Gentry some business. (R. 1818)

Reciprocity Effect

Brickman testified that after Sarther's contact, a Gentry salesman called and since Gentry's price and quality were

satisfactory, Brickman responded to Sarther's request and gave Gentry some business for a few years (R. 1818), as the following data indicates (RX 409, R. 2679; figures in pounds; blank means no purchase):

	Gentry		Basic		Puccinelli		Simplot	
Year	Onion	Garlic	Onion	Garlic	Onion	Garlic	Onion	Garlic
1946			No Data		No Data		No Data	
1947			No Data		No Data		No Data	
1948			No Data		No Data		No Data	
1949			No Data		No Data		No Data	
1950			2,520					
1951	2,500		7,000					
1952	7,500		3,750					
1953	15,100	60						
1954	4,750	120					6,250	
1955		120					20,750	
1956					3,000		20,500	
1957	50				15,600			
1958					14,750			

Although reciprocity did obtain some business for Gentry in the years 1951-1954, it was powerless to hold or thereafter win back the business against competition based on price, quality and service. In 1954, Brickman began switching to Simplot because its price was lower and, after Simplot went out of the onion business in 1956, he changed to Puccinelli because he preferred its price, quality and broker. (R. 1819-1820)

In 1954, a Basic salesman reported that an Illinois Meat representative told him he would have to buy from Gentry to keep Consolidated's good will. (CX 213, R. 2299-2300) The evidence discussed above proves how wrong this report was—although Illinois Meat bought very little from Gentry in 1954 and thereafter, Consolidated's purchases from Illinois Meat increased. In 1956, another Consolidated executive contacted Illinois Meat on Gentry's behalf (R. 156), but as the data shows, the contact produced no results.

This case illustrates two important aspects of reciprocity. First, it was ineffective against competition based on price, service or quality. Second, Consolidated's purchases are not tied to Gentry's sales—Consolidated continued to make regular and substantial purchases even after Illinois Meat stopped buying from Gentry.

LAKE ODESSA CANNING CO.

Lake Odessa, a processor of canned food products, has total sales of $3,000,000 to $4,000,000 per year. (R. 409) Consolidated's purchases from Lake Odessa have been small and sporadic. (R. 384-621)

The only evidence of reciprocity consists of hearsay testimony by Basic's sales manager (R. 304) based solely on a telephone conversation with one of his salesmen which the Hearing Examiner ordered stricken from the record. (R. 371-373) Thus, there was no evidence that a reciprocity contact was made at this company or that the Consolidated-Gentry relationship affected purchasing policy and data and testimony show that it did not. Lake Odessa purchased from Basic from 1949 through 1955 (CX 219, R. 2305) and then changed to Gentry because Basic refused to cooperate with a member of Lake Odessa's board of directors who, as a Woolson Spice Company salesman, wanted to service the Lake Odessa account. (R. 1396)

LES POMMIERS CANNERIES

Les Pommiers is a small canner of gourmet soups which it packs mostly under its customers' labels. The business has been declining — Les Pommiers now has only about twelve customers. (R. 983-984, 997-998) Sales to Consoli-

dated averaged $14,000 to $24,000 per year from 1950 to 1953, but have decreased since then to $7,500 in 1959. (RX 148, R. 2458; R. 997)

Evidence of Reciprocity Contact

The only evidence of reciprocity contact, hearsay statements contained in Basic sales reports (CX 167-169, R. 2236-2242), was contradicted by Henri Rethier, the sole proprietor of Les Pommiers, who was called as a witness by Consolidated and who testified that he never talked to anyone at Consolidated about purchasing from Gentry. (R. 983, 996)

Absence of Reciprocity Effect

A Basic salesman reported in 1954 that Rethier informed him that all his onion business would have to go to Gentry if he wanted to sell Consolidated. (CX 167, R. 2236) Four years later, in 1958, the same salesman reported that Les Pommiers had been "pressured" into buying from Gentry because of sales to Consolidated. (CX169,[6] R. 2241)

Rethier testified that the fact that Consolidated was his customer never had any effect on his purchases from Gentry. (R. 990, 995-996) This testimony is corroborated by the data, which shows that Les Pommiers bought over 1,000 pounds of onion from Gentry for only three years, 1954 to 1956 (RX 149, R. 2459; figures in pounds; blank means no purchase):

[6] This call report, which states on its face that it was prepared with a view toward litigation, was described by the Hearing Examiner as "highly speculative hearsay." (R. 668)

Year	Gentry	Basic	Spice Distributors
1946			
1947			
1948			
1949			
1950		1,500	
1951		10,010	240
1952		15,694	
1953		5,380	1,415
1954	3,055	4,210	1,110
1955	2,040	2,600	
1956	2,640		
1957	600	1,600	520
1958	600	1,670	

When shown these statistics, the Basic salesman who had sold to Les Pommiers admitted he had overestimated its requirements and was wrong when he claimed reciprocity caused Basic to lose business in 1957 and 1958. (R. 1950-1951, 1957-1958)

Rethier explained that when he found Gentry's quality improved in 1954, he began to purchase its products because he preferred doing business with it for reasons unrelated to reciprocity. Although Gentry did not require Rethier to sign a contract, Basic tried to force him to sign one which he feared would require him to buy 15,000 pounds annually. (R. 987-988) Also, Gentry shipped its onion in barrels shorter than those used by Basic—Rethier's employees had difficulty in reaching the bottom of a Basic barrel. (R. 989; RX 57, R. 2370; RX 150, R. 2460)

There was no relation between sales by Gentry and purchases by Consolidated. Although Rethier reverted to Basic as his primary source of supply in 1957 when Gentry re-

fused to offer credit terms competitive with Basic's, Consolidated became Rethier's best customer in 1959. (R. 985, 994)

THOMAS J. LIPTON, INC.

Lipton processes tea, soups and salad dressings under its own nationally advertised labels. Lipton's total 1958 sales were $110 million and sales to Consolidated were between $500,000 and $700,000, an increase since 1950. (R. 671-673)

The Commission's Evidence

The only evidence introduced by Commission counsel showed Gentry's sales to and Consolidated's purchases from Lipton. (CX 224S; R. 386-632)

Absence of Reciprocity Effect

Consolidated called Louis Edwards, the Lipton purchasing executive responsible for selecting Lipton's onion and garlic supplier at all Lipton plants since 1946, and he testified that he received no reciprocity communication and that the fact that Consolidated was a customer never affected his purchases. (R. 674, 678-679, 693)

Lipton began buying from Gentry in 1948 and chose Gentry as a regular second source of supply in 1950, before Consolidated's acquisition of Gentry. While purchases from Gentry have increased since 1950, so have those from Basic; indeed, Basic has consistently obtained most of the business (R. 674-675; RX 123, R. 2438; blank means no purchases):

Year	Gentry (Pounds)		Gentry (Dollars)	Basic (Dollars)
	Onion	Garlic	Onion and Garlic	Onion and Garlic
1946	50		No Data	No Data
1947			No Data	No Data
1948	6,625		No Data	No Data
1949	4,700		No Data	No Data
1950	53,350		No Data	No Data
1951	118,132	795	$52,000	$112,000
1952	154,200	3,500	75,000	559,000
1953	446,250	7,000	354,000	386,000
1954	35,840	7,950	25,000	377,000
1955	220,287	22,000	121,488	490,353
1956	599,659	22,036	330,830	513,475
1957	941,720	27,000	592,000	472,000
1958	808,650	9,600	523,000	633,000

Edwards explained the business reasons for his purchases from Gentry. In 1950, it became apparent to Edwards that Lipton's onion and garlic requirements were increasing to the point where it was essential to have a reliable second source of supply. Gentry was the only producer other than Basic that produced a product consistent with Lipton's quality specifications. When dried soups were introduced, Edwards' increased requirements led to increased purchases from Gentry in 1951-1953, but when the new onion soup did not sell as well as anticipated, purchases were cut in 1954. Because Basic had made heavy onion crop commitments in anticipation of large orders from Lipton, Edwards purchased practically all of his 1954 requirements from Basic out of fairness. Thereafter, Edwards increased his purchases from Gentry because of his continued desire for a good second source of supply and because Gentry solved the vexing wood splinter problem more successfully than Basic. (R. 674-677, 681-682, 686-688, 690, 693-694)

OSCAR MAYER & COMPANY

Oscar Mayer sells its nationally advertised fresh and canned meat products to wholesale and retail grocers throughout the country. (R. 385-621, 1552) Its sales have increased substantially since 1950, reaching $260,000,000 by 1958. This has resulted from consumer demand created by advertising, quality control, efficiency and service. Oscar Mayer is an old supplier of Consolidated, having sold to it since at least 1950. Since that time, its sales to Consolidated have risen and in 1958 Consolidated's purchases totaled $500,000. (R. 1552-1553)

Evidence of Reciprocity Contact

The evidence of contacts consists of Basic reports of the use of "pressure" and "reciprocity" at Oscar Mayer's Madison, Wisconsin offices, where most of Oscar Mayer's buying is done. (R. 1554-1555, 1563; CX 213-217, R. 2299-2303; RX 59, R. 2371)

Consolidated called P. Goff Beach, Jr., who participated in purchasing decisions at Madison from 1950 to 1958. He testified that neither he nor any other purchasing executive whom he questioned was ever subjected to reciprocity pressure. (R. 1553-1555, 1559-1560, 1564)

Absence of Reciprocity Effect

While Basic's sales manager claimed that reciprocity was effective with Oscar Mayer at Madison, the evidence completely disproves this claim. Beach testified that Consolidated's being a customer had no effect on the volume of purchases from Gentry. (R. 1560-1561) This testimony

is confirmed beyond doubt by the data, which shows that Madison purchased from Gentry only 155 pounds in 1951 and 100 pounds in 1954, while Madison bought an average of over 45,000 pounds each year from Basic either directly or through Manufacturers' Coop. Association, which did substantial buying for the large meat packers (R. 1555-1559; RX 373, R. 2639; figures in pounds; blank means no purchase):

	Purchases by Madison, Wisconsin Plant			Purchases from Gentry Only by Other Plants	
	Gentry	Basic		Chicago	Los Angeles
Year	Onion	Onion	Garlic	Onion	
1946		No Data			
1947		No Data			
1948		No Data			
1949		40,088			
1950		43,610			
1951	150	44,560	197		
1952		33,445	1,020		
1953		49,718	2,940		
1954	100	44,560	4,740		
1955		62,060*	6,120*	5,000	
1956		43,000*	1,020*		
1957		61,500*	5,460*		
1958		52,372*	4,080*		1,028

* These amounts were purchased from Basic either directly or through Manufacturers' Coop. Association which in turn bought most, if not all of it from Basic. (R. 1559)

Chicago was the only place where Gentry made any sale of consequence, and Consolidated called Mr. LeBeau, Purchasing Agent at Chicago from 1950 to 1957, to explain this. The Chicago plant, which obtained its own requirements of onion and garlic, bought from Gentry in

1955 to have a second source of supply and possibly to obtain a price advantage, but for no other reason. (R. 1813-1814)

MC CORMICK & COMPANY, INC.

McCormick imports and distributes spices, seasonings and condiments. Total 1960 sales were $49,000,000. (R. 1911, 1914) McCormick has sold to Consolidated. (RX 191, R. 2496)

Evidence of Reciprocity Contact

Gentry documents indicate that Gentry had been supplying McCormick's Shilling Division in San Francisco even before Gentry became a part of Consolidated and was satisfied with its share of Shilling's business. However, from 1952 to 1954, Gentry sought Consolidated's help in obtaining a share of the onion and garlic business at McCormick's Baltimore plant (CX 10-11, R. 1998-2001; CX 15-16, R. 2009-2010; CX 66-71, R. 2066-2074) and in 1952 Nathan Cummings, Chairman of the Board of Consolidated, wrote Charles McCormick:

> "Is there anything further that I might recommend to our management which would enable us to share in a larger portion of your business. We believe that we are competitive or we would not enjoy the large volume of business that Gentry is able to do." (CX 67, R. 2069-2070)

In 1953, Mr. Cummings reported to a Gentry executive:

> "I think you will find Mr. Charlie McCormick, with whom I spoke a couple of weeks ago, in a very receptive frame of mind to favor Gentry, all things being equal—and that's about all we can ask of any good friend who is a customer." (CX 69, R. 2072)

Later in 1953, an official of one of Consolidated's distributing divisions wrote to a Gentry salesman that he had "spoken to the proper parties" at McCormick and would "continue putting the heat on periodically" even though he did not know whether it would help. (CX 16, R. 2010)

Absence of Reciprocity Effect

The evidence proves that reciprocity was ineffective. Except for 30 pounds of onion in 1958, Gentry has sold no onion or garlic to McCormick at Baltimore. (RX 419, R. 2681) Furthermore, Gentry's share of McCormick's total onion and garlic business (Shilling and Baltimore combined) has gradually declined from 24% in 1951 to only 9% in 1958. (RX 419, R. 2684)

MICHIGAN MUSHROOM CO.

Michigan Mushroom and its three divisions, Indiana Mushroom, Aurora Frozen Foods and Olympia Mushroom Farms, process mushroom products. (R. 324, 383) Michigan Mushroom, which has annual sales of $8,000,000 to $10,000,000 (R. 410), sells to Consolidated. (R. 383-635)

Evidence of Reciprocity Contact

Commission counsel offered a number of documents from Basic's files indicating that reciprocity was successfully practiced. (CX 124-129, R. 2164-2171) Also, a Consolidated executive testified that he contacted Michigan Mushroom's broker at the request of a Gentry salesman. (R. 155) Consolidated called a Gentry salesman, White, who testified that shortly after he started working for

Gentry in 1955 he called on the purchasing agent at Michigan Mushroom (whom he knew in business and socially) with another Gentry salesman. During the visit, the other Gentry salesman stated that Michigan Mushroom should buy from Gentry because Consolidated was a customer. (R. 1336-1337)

Absence of Reciprocity Effect

The testimony indicates that the reciprocity contacts had little or no effect. The Consolidated official, Lerner, stated that when he was told by Michigan Mushroom's broker how much business Gentry was getting, he considered it a fair share and dropped the matter. (R. 155-156) White testified that the Michigan Mushroom purchasing agent made no immediate comment to the reciprocity suggestion, but later told White privately that he resented the approach. (R. 1337)

The lack of any substantial reciprocity effect is also shown by some of the Basic documents. One Basic salesman reported that because of a Consolidated contact on Gentry's behalf, the Michigan Mushroom purchasing agent instructed all plants to buy from Gentry. (CX 126, R. 2166; CX 128, R. 2170) However, this is contradicted by other Basic reports stating that in spite of the reciprocity contact, Basic could expect all the business (CX 127, R. 2168; RX 62, R. 2375) and showing that Basic was getting most of the business. (CX 129, R. 2171; RX 61, R. 2374; RX 63-65, R. 2376-2377) Another report explains that the Olympia Mushroom division was buying from Gentry not because of reciprocity but because the broker representing Olympia in the Northwest was also Gentry's broker. (RX 69, R. 2380)

The data confirms the fact that Basic remained the major onion supplier (CX 219, R. 2305; RX 155, pp. 223, 286; RX 156, p. 76; RX 157, p. 233; figures in pounds; blank means no purchase; hardly any garlic purchased):

	Michigan		Indiana		Aurora		Olympia	
Year	Basic	Gentry	Basic	Gentry	Basic	Gentry	Basic	Gentry
1949	11,320				750		500	
1950	7,984				9,200		2,950	
1951	5,984				12,350		3,760	
1952	3,326	500	2,950	7,750	7,350		1,750	2,000
1953	2,196		9,000	12,750	4,030	1,250		5,500
1954	3,196		3,000	7,000	14,500	8,240		6,000
1955	2,136	1,000	6,000	10,000	8,000	4,000		7,250
1956	2,120		19,000		4,750	1,500		7,000
1957	2,025		10,025	1,000	6,750	4,500		6,500
1958	No Data		No Data		No Data	50	No Data	7,500

While it is possible that reciprocity may have produced some business for Gentry, this conclusion can only be based on hearsay and inference. In any event, Gentry's success was insubstantial and short-lived. By 1958, Gentry was dropped completely except at Olympia and even the Basic document (RX 69, R. 2380) shows that Olympia bought from Gentry for reasons unrelated to reciprocity.

MOORE & COMPANY SOUPS, INC.

Moore produces a line of specialty soups and other products which are sold to wholesalers and retailers under Moore's own labels and the labels of its customers. (R. 930-931) Moore has sold practically nothing to Consolidated—the only reported sale is ten cases of green turtle soup in 1958 and 1959. (R. 633, 643, 931-932, 939-940)

Evidence of Reciprocity Contact

Commission counsel offered a Basic call report which stated that "Gentry had arranged with Mr. Castelli [President of Moore] to sell his products to Consolidated" and that, as a result, "all purchases have been made from Gentry." (CX 169, R. 2241-2242) Consolidated called Mr. Castelli who testified that neither of these statements was true. (R. 938-939)

Absence of Reciprocity Effect

The only evidence of reciprocity effect was the above-quoted Basic report which even the Hearing Examiner described as "very highly speculative" (R. 668) and which was directly contradicted both by Castelli and the facts showing that Consolidated bought practically nothing from Moore.

Castelli testified that Consolidated's few purchases had no effect on his purchases of onion. (R. 939) This testimony is corroborated by the data, which shows that Moore has consistently purchased from Gentry since 1946, long before the Consolidated-Gentry merger. It was Basic, not Gentry, that received additional onion business after 1951 (RX 143, R. 2455; figures in pounds; blank means no purchase):

Year	Gentry	Basic
1946	5,600	No Data
1947	3,900	No Data
1948	5,798	No Data
1949	8,442	56
1950	15,296	192
1951	19,656	82
1952	15,917	
1953	9,388	6,982
1954	5,375	10,210
1955	8,810	3,640
1956	4,160	6,505
1957	3,600	5,550
1958	6,210	2,930

Mr. Castelli, who has determined Moore's sources of supply since 1950, testified to the reasons for these purchases. He testified that Moore bought exclusively from Gentry prior to 1949 because Gentry had the most consistent product and rendered a special service to Moore by providing a particular cut of onion. (R. 933, 934, 944-945) After 1949, Moore made a few small purchases from Basic for testing purposes. (R. 934; RX 143, R. 2455) In 1953, when he found that Basic was able to provide an onion sliced similarly to Gentry's, Castelli began using Basic as a regular second source of supply in order to assure himself of a continuous supply of onion. He adopted a policy of dividing his onion business about equally between Basic and Gentry. (R. 934-935, 938, 945, 951)

Castelli's policy of dividing the business was frustrated by a Miss Rabinowitz, who became his office manager in 1955 or 1956 and began giving two-thirds of Moore's business to Basic. When Castelli became aware of this situation, he instructed her to adhere to his policy of buying

equally from both suppliers. (R. 935-937, 941, 962, 963-965)

MORGAN PACKING COMPANY, INC.

Morgan cans dry-pack vegetables under its own and its customers' labels. (R. 1296) Most Consolidated units have purchased from Morgan, but the quantities purchased have varied drastically, depending on crop conditions and supplies—Morgan is considered an erratic supplier. (R. 397, 1297) Morgan's sales to Consolidated, which have averaged slightly less than two per cent of its total sales, were $430,000 in 1958. (R. 1297-1298, 1309-1310)

Evidence of Reciprocity Contact

Commission counsel offered documents from Gentry's files reporting reciprocity "pressure" on Morgan. (CX 72-81, R. 2075-2094) Lerner, a Consolidated purchasing executive, testified that he contacted a Morgan buyer at Gentry's request. (R. 154-155) Consolidated called Ivan Morgan, President of the company, who testified that he did not know of any reciprocity contacts. (R. 1295-1296, 1302)

Absence of Reciprocity Effect

Ivan Morgan, who determined purchasing policies and had knowledge of the purchasing decisions during the years involved in the documentary reciprocity evidence, testified that reciprocity did not affect Morgan's purchasing decisions. (R. 1298, 1303)

The lack of reciprocity effect is also shown by the testimony of Lerner, the Consolidated purchasing executive who contacted Morgan's buyer. He explained that when

he inquired on Gentry's behalf, he was told that Morgan did not buy from Gentry because Gentry did not maintain local warehouse stocks. (R. 155)

Finally, the ineffectiveness of reciprocity is confirmed by the data showing that Basic has consistently been the primary supplier of Morgan's rapidly expanding onion and garlic requirements (RX 190, R. 2488; figures in pounds; blank means no purchase):

	Gentry		Basic		Puccinelli	
Year	Onion	Garlic	Onion	Garlic	Onion	Garlic
1946			No Data		No Data	
1947			No Data		No Data	
1948			No Data		No Data	
1949			No Data		No Data	
1950			No Data		No Data	
1951	275	69	No Data		No Data	
1952			No Data		No Data	
1953	10,500		No Data		No Data	
1954	4,300	660	24,900	2,880	600	120
1955	7,900	180	46,795	4,740	2,992	
1956	4,000		57,250	2,400	1,000	
1957	7,500	1,740	81,525	3,240	1,600	
1958	25,055	1,800	86,070	3,840		

Ivan Morgan explained that, in accordance with his policy of having more than one supplier, he began to use Gentry as a secondary source in 1953 when Gentry's products were approved after the two years of testing he requires. Morgan bought small quantities of dehydrated onion and garlic from Gentry in 1951 for test purposes, but made no purchases in 1952 because the testing was still going on. In 1953, a larger quantity was purchased after Gentry's products were accepted as satisfactory, and Morgan has since continued to buy from Gentry to have a

good second source of supply. (R. 1299-1301, 1305-1309, 1312-1314) Substantial purchases were not made from Gentry until 1958, four years after the last reported reciprocity contact was made in 1954.

PHILLIPS PACKING CO.

At this company, Consolidated did try to produce business for Gentry, but the results indicate the ineffectiveness of reciprocity. In 1952, Consolidated arranged an appointment with Phillips for a Gentry salesman, who was told that Phillips would buy from Gentry only if Consolidated would buy more from Phillips. Gentry received a 1,000-pound onion order from Phillips with the understanding that Phillips was to get more business from Consolidated. (CX 6-8, R. 1990-1996; CX 10-11, R. 1998-2001; CX 88-92, R. 2099-2105) Gentry reported this to Consolidated. In reply, a Consolidated executive pointed out past quality difficulties with Phillips but promised to look into the matter and give consideration to purchasing from Phillips if possible. (CX 93-94, R. 2105-2107) Consolidated forwarded Gentry's request to one of its divisions (CX 95, R. 2108) and received a reply, but the reply is not in evidence. Later in 1952, a Gentry salesman reported that Phillips had purchased 500 pounds through a distributor and had assured him that Phillips would thereafter buy all its onion and garlic requirements from Gentry through the distributor. (CX 97, R. 2109; RX 208, R. 2520)

Despite Gentry's efforts and Phillips' promises, Phillips purchased very little from Gentry between 1952 and 1957 (when it was acquired by Consolidated and became Consolidated's Coastal Division). It apparently preferred to use raw onion and garlic. (RX 156, p. 42; RX 227-228, R. 2539-2542; RX 395, R. 2663; R. 1477)

QUAKER OATS COMPANY

Quaker Oats processes cereal, flour and other products for sale under its own nationally advertised label. Quaker Oats has been a Consolidated supplier since Consolidated was organized. Its total 1958 sales were $300,000,000, of which $2,000,000 were made to Consolidated. (R. 1631-1632)

Evidence of Reciprocity Contact

Commission counsel offered documents from the files of both Gentry and Basic. In 1953, a Gentry salesman asked Consolidated for help with four companies, one of which was Quaker Oats. (CX 12-13, R. 2001-2005) A 1952 Basic report mentions that reciprocity had "come up" at several companies, one of which was Quaker Oats. (CX 126, R. 2166) However, Consolidated called Kenneth Tilden, Manager of Ingredients Purchasing, who testified that he had no communication with any representative of Consolidated or Gentry concerning reciprocity. (R. 1631, 1637)

Absence of Reciprocity Effect

The record is devoid of evidence indicating that reciprocity had any effect on Quaker Oats' purchasing decisions and Tilden, who was responsible for purchasing throughout the years in question, testified directly that it had no effect. (R. 1632-1633, 1637-1638)

The data shows that Quaker Oats began purchasing regularly from Gentry in substantial quantities in 1955. (RX 384; R. 2646; figures in pounds; blank means no purchase):

Year	Gentry		Basic	
	Onion	Garlic	Onion	Garlic
1946			No Data	No Data
1947			No Data	No Data
1948			No Data	No Data
1949			No Data	No Data
1950		270	No Data	No Data
1951	5,004	225	No Data	No Data
1952*		246	No Data	No Data
1953		120	No Data	No Data
1954	800	480	No Data	No Data
1955	15,750	7,000	23,000**	7,000**
1956	19,500	5,190	50,000	8,000
1957	9,900	3,540	49,500	15,400
1958	26,550	6,780	No Data	No Data

* 8,000 pounds of garlic purchased from Puccinelli in 1952. (R. 1635)

** Purchases for last half of 1955 only. (R. 1635)

The ordinary business reasons for these purchases were fully explained by Tilden. He testified that when he took over as manager of purchasing in 1954 he established a two-supplier policy because Quaker Oats' policy of using a single source of supply for its ingredients had sometimes left it with no supply. (R. 1634, 1635-1636) After Gentry's products were approved by Quaker Oats' thorough testing procedures, Tilden selected Gentry as his second source of supply because he considered the quality of its products superior to that of alternative second sources. Thereafter, he split the business between Basic and Gentry, giving about 70% to Basic. (R. 1633, 1636)

J. L. READ FOODS, INC.

J. L. Read Foods, Inc. manufactures salad dressings and canned potato salad which it sells under its own and customers' labels to wholesalers, retailers and institutional users. Read's 1958 sales totaled about $3,000,000, approximately twice its 1951 sales. Read's sales to Consolidated, made mostly under Consolidated's labels, rose from $400,000 in 1951 to $600,000 in 1953 and then steadily dropped off—Consolidated's 1958 purchases amounted to only $200,000. (R. 1829, 1834-1835) Consolidated required fewer products after 1954 for two reasons. Consumer demand for canned potato salad decreased and Consolidated began to pack more of its own salad dressings. (R. 390, 1830)

Evidence of Reciprocity Contact

Documents offered by Commission counsel from the files of both Gentry and Basic indicate that reciprocity contact was made at Read. (CX 33, R. 2029; CX 183-185, R. 2256-2258) In 1954 a Gentry salesman suggested to his superior that reciprocity pressure be used on Read:

> "I am in a position where I can put the pressure on him in order to recoup this business but I will (down boy) await your advice before I do so." (CX 33, R. 2029)

Consolidated called Thomas B. Bailey, Executive Vice President of Read, who testified that Jack Read, the President, told him that a Gentry salesman once mentioned that because Consolidated was a customer, Gentry would like to sell Read more. (R. 1828, 1832)

Absence of Reciprocity Effect

Although some of the Basic reports state that reciprocity had resulted in Basic's losing business with Read (CX 183, R. 2256; CX 185, R. 2258), these are contradicted by other Basic reports showing that the reciprocity pressure boomeranged against Gentry:

> "Ed [a Read purchasing official] said that Jack [Read] is a very stubborn fellow & dislikes the attempts of Gentry to dictate. Actually he said Jack prefers to buy from sources other than ones who sell his merchandise as he feels he can then be freer to complain if things go wrong." (CX 184, R. 2257)

In his testimony, Bailey confirmed these statements. (R. 1832-1833) Read's preference for noncustomer suppliers resulted from his insistence that only high quality ingredients be used in Read products. (CX 184, R. 2257; RX 77, R. 2391)

Bailey, who participated in decisions as to sources of supply for onion and garlic, testified that Consolidated's being a customer had no effect on purchases of dehydrated onion and garlic. (R. 1830-1831, 1833-1834) This testimony is supported by the data, which shows that although Gentry was Read's exclusive supplier before the merger, Basic obtained much more business at Read after the merger than did Gentry (RX 414, R. 2680; figures in pounds; blank means no purchase):

Year	Gentry		Basic	
	Onion	Garlic	Onion	Garlic
1946			No Data	
1947			No Data	
1948			No Data	
1949				
1950	6,400	1,323		
1951	10,000	2,280		
1952	9,620	3,360		
1953	17,750	3,300	5,512	1,140
1954	24,005	120	13,900	6,600
1955	15,243	2,160	20,262	4,860
1956	8,212	3,580	45,285	3,120
1957	20,704	2,810	97,630	3,445
1958	30,450	2,050	33,560	4,190

The evidence shows that Read purchased from Gentry after 1953 because Gentry's quality was superior to Basic's. (CX 184, R. 2256) On the other hand, Bailey testified that Read began to buy from Basic in 1953 because Basic was considered to have an edge in quality and continued to purchase from Gentry, its original supplier, in order to have two sources of supply. (R. 1831)

The ineffectiveness of reciprocity is demonstrated by the lack of any relationship between Read's sales to Consolidated and Read's purchases from Gentry. In the same year in which Read's sales to Consolidated reached their peak, 1953, Read began purchasing from Basic and its purchases from Basic thereafter increased substantially. Then, in 1954 and thereafter, Gentry's sales to Read increased while Read's sales to Consolidated decreased substantially because Consolidated had opened its dressings plant. (R. 1830, 1835; RX 414, R. 2680)

RECIPE FOODS, INC.

Recipe Foods produces salad dressings, juices, jellies and other products, mostly under its customers' labels. Recipe Foods' total sales have increased since 1950 and were $10,000,000 in 1958. Sales to Consolidated increased from $50,000 in 1950 to $200,000 in 1958. (R. 713-715, 729-730)

Evidence of Reciprocity Contact

A Basic document offered by Commission counsel and characterized by the Hearing Examiner as "very highly speculative hearsay" (R. 668) stated that Recipe "hesitated to place business with us because of sales to Consolidated." (CX 169, R. 2241) Consolidated called Mr. I. S. Rosen, a Recipe Foods Vice President, who testified that he did try to enlist Gentry's help in selling prune juice to Consolidated, but was unsuccessful. (R. 713, 719-721)

Absence of Reciprocity Effect

Rosen, who was responsible for purchasing, flatly denied the truth of the statement in the Basic memorandum that Recipe "hesitated to place business with us because of sales to Consolidated." He also testified that the fact that his company was a Consolidated supplier had no effect whatsoever on the volume of its purchases from Gentry. (R. 713, 715, 721-722) This testimony is confirmed by the data, which shows that prior to the Consolidated-Gentry merger, Recipe Foods was purchasing substantial amounts from Gentry regularly (RX 125, R. 2440; figures in pounds; blank means no purchase):

Year	Gentry		Basic	
	Onion	Garlic	Onion	Garlic
1946			No Data	
1947	125	120	No Data	
1948	675	30	No Data	
1949	5,925	600	No Data	
1950	16,525	960	No Data	
1951	32,500	3,600	No Data	
1952	12,100	1,620	No Data	
1953	17,250	2,820	No Data	
1954	22,000	2,940		
1955	21,600	2,160		
1956	12,588	2,850		
1957	22,662	2,400		
1958	23,450	2,640	550	540

Rosen, who has selected Recipe Foods' suppliers for many years, explained that, except for small fill-in orders, Recipe Foods has always purchased its dehydrated onion and garlic requirements from Gentry because Gentry's quality, service and price were good and because Rosen liked the Gentry salesman. (R. 715-717, 722, 723, 768) While Basic's quality was comparable to Gentry's for Recipe Foods' purposes, Rosen preferred to use only one supplier. Because this policy made his account more valuable, it gave his supplier more reason to extend himself to provide the best possible service and price. (R. 724, 765, 768; RX 225, R. 2306; RX 81, R. 2396)

RED WING COMPANY

Commission counsel introduced Gentry documents showing that Gentry asked Consolidated for help in selling Red Wing. (CX 10-11, R. 1998-1999; CX 53, R. 2051; CX 56,

R. 2055-2057) However, a call report introduced by Commission counsel states flatly that Gentry's reciprocity approach was "turned down cold." (CX 169, R. 2241) This is corroborated by the data which shows that Gentry made only one sale to Red Wing during all the years from 1951 to 1958—1,618 pounds of onion in 1952. (RX 156, p. 206)

P. J. RITTER COMPANY

Ritter produces a variety of canned food products, including tomatoes, relish and diced peppers. These products are mostly sold under Ritter's own label to wholesalers and retailers. Ritter's sales have been relatively constant since 1950, averaging $5,000,000 to $6,000,000 per year. (R. 734-735, 737)

Ritter has been a supplier to Consolidated for about 12 to 15 years and has sold practically its entire product line to one or more of the Consolidated units, mostly under the Ritter label. Sales to Consolidated increased from $50,000 in 1950 to $208,000 in 1955, then decreased to $58,000 in 1958. (R. 736)

Evidence of Reciprocity Contact

Gentry documents offered by Commission counsel show frequent requests for help from Consolidated in selling more to Ritter. (CX 6-8, R. 1990-1997; CX 15, R. 2009) In 1954, Nathan Cummings, Chairman of the Board of Consolidated, wrote to Mr. William Ritter as follows:

> "I understand that you have been buying your seasonings, such as garlic and onion, etc., from one of the competitors of Gentry, which company we control. It just seems to me that you and I, as good friends, should do as much business together as we can; therefore, may I take the liberty of asking if

you cannot favor Gentry with all your needs in the field in which they are one of the top suppliers of the country. We know they are competitive from the standpoint of quality, price and service." (CX 63, R. 2063)

Absence of Reciprocity Effect

The evidence, consisting of a letter, statistics and testimony of Ritter's purchasing agent, called by Consolidated, demonstrates that Ritter selected its onion and garlic supplier on the basis of quality—reciprocity was not a factor. Ritter replied to Cummings that he would buy from Gentry only if Gentry were competitive:

> "I have checked into the matter of our purchases of seasonings and find that off and on we have been using Gentry Onion products for quite some years. Apparently there have been some ups and downs in service and quality over these years that have caused our business with them to vary. We tried the product last year and the quality was equal to our other suppliers. On the basis of last year's test we are planning larger purchases from them this year and this business will grow if the quality meets our standards.
>
> "You may think I am overstressing the uniformity and quality angle, but we have always had a very high standard and in some cases certain specifications for particular products that are hard to meet, and our Quality Control people are very much on their toes. However, aside from this, we have every reason to do more and more business with Gentry or any of your other associated companies." (CX 64, R. 2064-2065)

Glen E. Knaub, who made all decisions as to sources of supply for dehydrated onion and garlic from 1948 to 1958, testified that Mr. Cummings' letter did not influence his

purchases; Ritter gave him no purchasing instructions. In fact, Knaub supplied Ritter with that portion of his reply letter which explained the quality problems Ritter had experienced with Gentry products. (R. 737, 742-744)

Knaub testified that Basic call reports stating Ritter gave Gentry business because of Consolidated (CX 210-211, R. 2292) were not true—the fact that Consolidated was a customer had no effect on his purchases. (R. 744-745, 747) He does not believe in reciprocity because purchasing and selling must be independent. (R. 759) Knaub's testimony is substantiated by the data showing that, except for the year 1957 when both Gentry and Basic lost business because Ritter purchased large quantities of fresh onion (R. 746), Gentry has never been able to sell Ritter as much as one-half the amount of dehydrated onion and garlic sold by Basic (RX 126, R. 2441; figures in pounds; blank means no purchase; 1,500 pounds of onion bought from Simplot in 1955):

	Dehydrated Products				Raw
	Gentry		Basic		
Year	Onion	Garlic	Onion	Garlic	Onion
1946	37,105	720	No Data	No Data	No Data
1947	83,500	2,700	No Data	No Data	No Data
1948	50	1,200	No Data	No Data	No Data
1949	600		48,190	1,800	No Data
1950	5,966		88,410	3,092	36,250
1951			134,772	4,560	
1952	30,100		80,450	2,760	24,500
1953	5,100		83,070	2,820	9,560
1954	21,050		48,500	2,100	42,500
1955	25,000		63,237	1,740	53,120
1956	25,050	840	60,850	3,120	72,320
1957	13,850	1,020	20,750	570	338,800
1958	25,000	600	57,500	2,160	74,320

Purchases from Gentry were made for good business reasons explained by Knaub. Because he adopted a two-supplier policy when he took over purchasing, he bought from Gentry periodically to test them as a second source. Since 1954, when Gentry's improved processing made its products substantially equal in quality to Basic's, Knaub has bought regularly from Gentry. Knaub did not consider anyone but Gentry as a second source because no one else was selling aggressively. Furthermore, Puccinelli's quality was not acceptable and Simplot had not given good service. Basic has continued as Ritter's primary supplier because of its many years of good service and consistent high quality. (R. 739-741, 753-755, 760-762; CX 64-65, R. 2064-2066; RX 87, R. 2403)

Purchases by Consolidated from Ritter shew no relation to purchases by Ritter from Gentry. Although Ritter's purchases from Gentry have remained fairly constant from 1954 to 1958, Consolidated's 1958 purchases from Ritter decreased substantially to one-fourth the 1955 total.

SMART & FINAL CO.

Evidence of Reciprocity Contact

Commission counsel offered documents from Gentry's files which imply that reciprocity contact was made. In 1953, a Gentry executive wrote Mr. Cummings that Gentry had sold nothing to Smart & Final except a sample order in January, 1951 (prior to Consolidated's acquisition). (CX 83, R. 2095-2096) After apparently contacting someone at Smart & Final, Cummings, in January, 1954, replied that "now the door is open for proper followup." (CX 84, R. 2097)

Absence of Reciprocity Effect

The data on Gentry's sales to Smart & Final shows that no purchases of any consequence were made until 1955, one year after the apparent reciprocity contact (RX 155, pp. 18, 27, 47, 98; figures in pounds; blank means no purchase):

Year	Onion	Garlic
1951		432
1952-1954		
1955	2,375	150
1956	300	
1957	1,215	
1958	510	

There is no support other than conjecture for the conclusion that these insubstantial purchases were produced either by a reciprocity contact or by the mere existence of the Consolidated-Gentry relationship.

F. H. SNOW CANNING CO., INC.

Snow cans food products, mostly sea foods, under its own label and those of its customers. While Snow's total sales have increased over the years, sales to Consolidated have declined since 1954 or 1955 and now average only about $25,000 per year. This decline has been due to Snow's inability to meet its competitors' prices on chopped clams. (R. 695-697, 707)

Evidence of Reciprocity Contact

Commission counsel offered documents showing requests by Gentry for help from Consolidated. In one, the Gentry

salesman reported that he had talked to Consolidated about "bringing several companies into line in the East," one of which was Snow. (CX 10, R. 1998) However, Consolidated called Harold Snow, the President of Snow, who has made all purchasing decisions since 1946, and he testified that he knew nothing of any reciprocity communications. (R. 697, 702)

Absence of Reciprocity Effect

Mr. Snow, who had firsthand knowledge of all purchasing decisions since 1946, testified that Consolidated's being a customer never influenced his company's purchases. (R. 697, 702)

The data shows convincingly that sales by Gentry were unrelated to purchases by Consolidated. Snow began making substantial purchases from Gentry regularly in 1955, the very year in which Consolidated's purchases from Snow began to decline (RX 124, R. 2439; figures in pounds; blank means no purchase):

	Gentry		Basic	
Year	Onion	Garlic	Onion	Garlic
1946-1949			No Data	
1950		300	No Data	
1951	35,550	600	No Data	
1952			No Data	
1953	30,000	540	No Data	
1954			30,000	600
1955	36,125	600	40,000	1,020
1956	48,600	1,620	20,100	600
1957	69,900	600	20,100	
1958	45,000		30,000	240

According to Snow, Gentry became his primary supplier because its service and improved quality made it superior to Basic. Snow explained that he originally purchased substantial quantities from Gentry to satisfy the need, emphasized by the Korean War, for two sources of supply. However, quality difficulties prevented Gentry from becoming a regular supplier until 1955, when Gentry installed new equipment which solved the wood splinter problem plaguing the industry. Thereafter, Gentry was Snow's primary supplier, with Basic becoming the secondary source, because Gentry's onion flakes were more suitable for Snow's products and its salesmen gave better service. (R. 699-701, 703, 705-706)

SWIFT & COMPANY

Swift & Company is a very large packer of highly advertised meat products. It has sold to Consolidated for many years and has total annual sales of about two and a half billion dollars. (R. 1583-1585)

Evidence of Reciprocity Contact

Commission counsel offered a report by a Basic salesman, stating:

> "As we have previously reported, they have tried the reciprocity deal on even the large concerns such as Swift." (CX 213, R. 2299)

Consolidated called two witnesses who would logically have heard of any reciprocity effort: Robert Shaw, who held supervisory positions in Swift's General Purchasing Department at Chicago, the department responsible for purchasing onion and garlic for all plants (R. 1583-1584), and

Cleo Rinehart, a research chemist who supervised the laboratory testing of onion and garlic. (R. 1587-1588) Shaw denied knowing of any reciprocity communication. (R. 1586-1587)

Absence of Reciprocity Effect

The record proves that reciprocity did not produce any business for Gentry. Shaw and Rinehart both testified that the fact that Consolidated was a customer had no effect on Swift's purchases. (R. 1587, 1595) This testimony is substantiated by the data showing that substantial onion and garlic purchases were made from both Gentry and its competitors (RX 374, R. 2640; figures in pounds; blank means no purchase):

	Gentry		Basic*	
Year	Onion	Garlic	Onion	Garlic
1946	14,585	9,543		
1947	5,950	3,210		
1948		300	31,002	
1949	405	3,096	12,984	
1950	2,950	23,112	35,500	
1951	1,948	60,591	61,995	
1952	1,181	30,237	65,830	
1953	1,246	120	103,812	
1954		920	43,554	
1955	3,400	11,790	No Data	
1956	52,590	1,728	25,978	22,326
1957	37,145	9,720	9,125	4,020
1958	34,032	1,527	30,750	11,604

Note: The 1948-1954 Basic figures represent onion and garlic pounds combined; no separate figures were available.

* Swift purchased from Puccinelli in 1954, 1955 and 1957. (R. 1585)

The witnesses testified to the purchasing procedures that would prevent reciprocity from overcoming ordinary quality and price competition. Swift has an elaborate procedure for selecting its onion and garlic suppliers at the beginning of each crop year. The choice is made by a panel of representatives from the laboratory, production, and purchasing departments who rely primarily on laboratory quality evaluations, which were placed in evidence. (R. 1586, 1587-1594, 1595) As a result, Swift has purchased regularly from Basic and Gentry and occasionally from Puccinelli, according to which had the best quality onion or garlic for the crop year. When there was not too much difference in quality, Swift has followed its usual practice of splitting its business to keep at least two sources of supply and promote competition between suppliers. (R. 1585-1586)

VENICE MAID COMPANY, INC.

Venice Maid, a family company, cans Italian specialties and condensed soups which it sells, mostly under its customers' labels, to wholesalers and retailers. Venice Maid, with annual sales of more than $5,000,000, has been selling about $125,000 per year to Consolidated. (R. 1639-1641, 1646)

Evidence of Reciprocity Contact

Reports from Basic's files offered by Commission counsel indicate that reciprocity operated at Venice Maid. (CX 169, R. 2242; CX 171-172, R. 2245; CX 175, R. 2248; CX 178-181, R. 2250-2251) However, Consolidated called Anthony Pepper, Jr., Director of Purchases since 1950, who testified that he had no communications concerning a rela-

tionship between Venice Maid's sales to Consolidated and his purchases of dehydrated onion, garlic or capsicums. (R. 1645-1646)

Absence of Reciprocity Effect

The Basic documents mentioned above, mostly salesmen's call reports, state repeatedly that Venice Maid is buying from Gentry because of purchases by Consolidated. However, in one report the Basic salesman indicated that his conclusion was only an inference on his part:

> "Gentry is going to get some of the business. Perhaps this is because this firm sells quite a bit of material to Consolidated Foods." (CX 175, R. 2248)

The hearsay statements and conjecture contained in the Basic documents are flatly contradicted by the unimpeached testimony of Anthony Pepper, Jr. Pepper, who has determined Venice Maid's onion and garlic supplier since 1950, stated that Consolidated's being a customer had no effect on his purchases of onion and garlic. (R. 1641, 1645-1646)

Since Venice Maid was particularly interested in achieving as much onion bulk as possible in its end products at the lowest possible cost, it used fresh and dehydrated onion interchangeably for many years, depending on which was cheaper. (R. 1641, 1647-1649; RX 90, R. 2405; RX 92, R. 2408; RX 95-96, R. 2409-2410; CX 171, R. 2245) Therefore, the following data on Venice Maid's purchases of dehydrated products tells only part of the story (RX 393, R. 2661; figures in pounds; blank means no purchase):

Year	Gentry		Basic		Imported	
	Onion	Garlic	Onion	Garlic	Onion	Garlic
1946			No Data		No Data	
1947			No Data		No Data	
1948			No Data		No Data	
1949			10,725	360	No Data	
1950		360	600	120	No Data	
1951	3	420	4,712.	120	No Data	
1952	4,350	1,200	224	120	No Data	
1953	7,127	1,800	88		No Data	
1954	7,325	1,748			No Data	
1955	5,470				No Data	
1956	13,560	2,760	645	25	23,742	5,372
1957	39,980	8,160				
1958	44,680	2,400			6,600	7,320

Pepper explained that Venice Maid did not begin to use dehydrated products in substantial quantities until 1956, when Gentry salesmen, working with his laboratory, convinced him the dehydrated products were more economical. (R. 1643-1644, 1648-1653) From 1952 to 1958, Venice Maid bought most of its requirements from Gentry because it purchased capsicum spices (which Basic did not sell) at Gentry's New York warehouse and found it convenient to have its trucks pick up onion and garlic at the same time. (R. 1644, 1654-1655)

Since 1958 Venice Maid's sales to Consolidated have increased even though its purchases from Gentry since 1958 have decreased very substantially because Venice Maid has begun purchasing about 95% of its dehydrated onion and garlic requirements from importers in order to save money and has gone back to fresh onion in some of its products. (R. 1640-1644, 1649-1650, 1653-1654)

WASS FOOD PRODUCTS COMPANY

Wass, a processor of specialty food items, including its very successful Open Pit Barbecue Sauce, was acquired by General Foods in 1961. Wass' annual sales were about $5,000,000. (R. 411) Consolidated units purchased advertised products such as the Open Pit sauce and some private label products from Wass. (R. 381-631)

Evidence of Reciprocity Contact

Commission counsel offered one report by a Basic salesman, White, which stated that "Gentry has worked the reciprocity angle to the hilt here" and that it had been effective in causing Wass to change from Basic to Gentry. (CX 158, R. 2215)

Absence of Reciprocity Effect

The direct evidence completely contradicted White's claim. Consolidated called White, now a Gentry salesman. (R. 1326) He explained that he falsely attributed Basic's loss of business to reciprocity in an attempt to protect a Basic office worker who actually caused the loss of the account in 1953 by making an insulting remark to Slater, a Wass partner, about Wass' slow-paying habits. Since he then called on the account as a Basic salesman, White attempted to pacify Slater, but was told that Wass would buy no more from Basic. Except for several small orders, Wass thereafter used Gentry as its sole source of supply. (R. 1329-1333, 1337-1338, 1344-1345, 1347-1350; for data, see CX 219, R. 2305; RX 411, p. 156)

Thus, White's testimony shows clearly that it was Basic's faux pas, not reciprocity, that caused Wass to change from Basic to Gentry. And this is directly corroborated by con-

temporaneous call reports written by Basic salesmen other than White which were placed in evidence by Consolidated. (RX 98-99, R. 2412-2413)

FRANK M. WILSON COMPANY, INC.

Wilson processes and cans fruits and vegetables, mostly under the labels of its customers, which include wholesalers and retailers. Wilson's sales average about $7,000,000 per year. Sales to Consolidated have totaled about $375,000 per year. (R. 1156-1158)

Evidence of Reciprocity Contact

One Basic call report offered by Commission counsel implies that reciprocity was obtaining business for Gentry. (CX 137, R. 2190) However, William G. Lester, Wilson's Purchasing Agent who was called by Consolidated, testified that no Consolidated or Gentry representative ever discussed reciprocity with him. (R. 1156, 1163)

Absence of Reciprocity Effect

Lester, who has selected Wilson's suppliers since 1946, testified that on one occasion, David House, President of Wilson, told him that if other things were equal, Wilson's onion and garlic business should go to Gentry because Consolidated was Wilson's good customer. (R. 1158, 1162) Lester agrees with House's policy, but has never given business to Gentry for that reason. (R. 1162-1164) This testimony is corroborated by the statistics which show that Wilson, which had used Gentry prior to the merger, did not revert to Gentry until three years after the merger

(RX 172, R. 2478; figures in pounds; blank means no purchase):

	Gentry		Basic	
Year	Onion	Garlic	Onion	Garlic
1946	1,300	60	No Data	
1947	700	540	No Data	
1948	1,200	240	No Data	
1949			800	390
1950			300	
1951				
1952			1,420	
1953			3,900	
1954	3,000			
1955				
1956	600			
1957	150			
1958	1,500			

Lester explained that Wilson's onion and garlic supplier was always chosen for reasons of quality and price. He switched from Gentry to Basic in 1949 because Basic came out with granulated products better for Wilson's hot sauce and catsup than Gentry's powdered products. Basic was his sole supplier until 1954, when he switched to Gentry because of a price advantage. (R. 1158-1161) This is corroborated by a Basic call report. (RX 100, R. 2413) Since 1954 Basic has not been equal to Gentry in price, service and quality. (R. 1163)

WOOLSON SPICE COMPANY

Woolson processes and packages coffee, tea and spices, mostly under its customers' labels, for food processors and distributors. Woolson has annual sales of about $15,000,000. Sales to Consolidated, minimal before 1956, increased to

$270,000 in 1958 because Woolson, in 1956, received a contract to package Consolidated's private label spices. (R. 411, 1390-1392)

Evidence of Reciprocity Contact

A Basic call report offered by Commission counsel stated that, because of reciprocity, Woolson felt "obligated" to give its business to Gentry. (CX 165, R. 2229) Evidence of reciprocity contact was provided by the testimony of William I. MacMillan, President of Woolson, a witness called by Consolidated. He testified that a Gentry salesman contacted him once and said: " 'Well, we buy from you, why don't you buy all of your onion and garlic from us?' " (R. 1403)

Denying he was "obligated" to buy from Gentry, as stated in the Basic document, MacMillan stated that during all the negotiations with Consolidated for the private label spice contract, reciprocal purchases from Gentry were never mentioned. (R. 1405-1406)

Reciprocity Effect

MacMillan, who has done the purchasing (R. 1394), testified that he believed in reciprocity:

> "I wouldn't pay a customer a premium; their quality and their price has to be competitive, but all things being equal, then I would prefer to give the business to a customer." (R. 1406)

The data on Woolson's onion and garlic purchases is as follows (RX 198, R. 2505; figures in pounds; blank means no purchase):

Year	Gentry		Basic	
	Onion	Garlic	Onion	Garlic
1946			No Data	
1947			No Data	
1948			No Data	
1949			No Data	
1950	2,730		7,025	4,836
1951	6,810		2,410	4,308
1952	19,024		2,590	6,954
1953	8,104	540	5,717	9,012
1954	6,183	351	9,859	15,822
1955	15,952	11,055	15,508	24,528
1956	35,586	50,709	12,877	10,752
1957	50,903	53,279	10,535	756
1958	99,108	57,979	3,280	1,620

MacMillan testified that because of Gentry's service and quality superiority, Woolson has tended to buy more from Gentry and less from Basic since 1955. While Gentry permitted Woolson to service small accounts as a distributor, Basic would not do this and insisted on servicing them directly. (R. 1394-1397) Also, Gentry's minced onion gave Woolson a better jar fill. (RX 102, R. 2415) When Woolson received the contract for packing Consolidated's private label spices in 1956, Woolson's requirements were thereby increased, and MacMillan felt it only fair that Gentry's products should be used as ingredients if possible. To avoid carrying duplicate inventory, Woolson bought as much as possible from Gentry. However, at the request of certain customers, Woolson continued to purchase some items from Basic. (R. 1397-1398; RX 101, R. 2414)

It is significant that even though MacMillan believed in reciprocity, his policy did not foreclose Basic. Not only did he continue to buy from Basic, but Gentry had no protected market. Gentry sold to Woolson only because it competed successfully with Basic.

WYLER & COMPANY

Wyler processes soup mixes and bases and repacks dehydrated vegetables, including onion and garlic, mostly under the Wyler label. Sales to Consolidated in 1958 were about $35,000, less than one per cent of total sales but an increase since 1950. (R. 1776-1777, 1795-1797)

The Commission's Evidence

The Commission introduced no documents concerning Wyler and no witnesses to testify about Wyler's purchases. The only Commission evidence showed Gentry's 1952-1957 sales to Wyler and Consolidated's purchases from Wyler. (CX 224Z15; R. 380-611)

Absence of Reciprocity Effect

Consolidated called Silvain Wyler, the President, who has always determined his company's sources of supply for dehydrated onion and garlic. (R. 1776, 1778) Wyler explained that he purchased about 90% of the company's total onion and garlic requirements from Gentry from 1949 to 1957 for reasons of quality and service. He gave Basic some business in order to have an alternative source of

supply. (R. 1783) In 1949 he switched to Gentry from Basic, his exclusive supplier prior to 1949, when Gentry's President, George Clausen, a friend of Wyler's, developed a large onion flake which filled Wyler's consumer jars very well. His decision was fortified by Basic's decision to give Heinz the exclusive distributorship for large onion flakes packed in the institutional size, a decision which he felt undermined his own institutional business. As Wyler introduced new onion and garlic products packaged for the domestic consumer after the war, he chose Gentry as his principal source of supply because Gentry's powdered onion and garlic had a more pungent odor than Basic's, because Gentry's salesman encouraged him to introduce new products and because Gentry's onion gave him a more suitable jar fill than Basic's. (R. 1779-1781, 1794)

In 1958 Basic developed an onion that met Wyler's specifications. At the time Wyler was upset because Consolidated would not buy its private label soup bases from Wyler, as he felt they should because he was a large Gentry customer. (R. 1739-1740, 1783-1785, 1794-1795; RX 109-113, R. 2421-2425) Therefore, Wyler bought less from Gentry and more from Basic—in 1958 he gave one-third of his business to Basic and in 1959 and 1960 gave almost two-thirds of his business to Basic. (R. 1784-1785, 1794-1796; RX 406, R. 2677)

Gentry's relationship with Consolidated has not helped, but has hurt Gentry's sales to Wyler. Gentry's share of Wyler's business dropped from 90% in 1957 to only 35% in 1960 as a direct result of Consolidated's refusal to buy more from Wyler when requested to do so. (R. 1783-1785, 1788, 1794-1796; RX 406, R. 2677)

COMPANIES WHICH PURCHASED NOTHING OR VERY LITTLE FROM GENTRY IN ALL THE YEARS 1951 TO 1958

There is reciprocity evidence concerning 31 companies which bought nothing or only small amounts from Gentry between 1951 and 1958. The evidence with respect to these companies consists solely of Basic and Gentry documents introduced by the Commission plus sales data. In most instances, the references in the documents to these companies consist only of an inquiry by Gentry's salesmen as to whether they are Consolidated suppliers, a request for help from Consolidated by certain Gentry salesmen or a statement by a Basic salesman claiming that reciprocity has come up at certain companies without indicating the nature of the reciprocity or its effect. In most cases, there is nothing in the record to show a causal relationship between the reciprocity mentioned in the documents and any sales by Gentry to these companies.

Analysis of Gentry's sales records (RX 155-157) shows that from 1951 to 1958 Gentry sold no onion or garlic to 15 of the 31 companies and insignificant amounts of onion or garlic to the other 16 companies.

The companies which bought no onion or garlic from Gentry are listed below:

Burry Biscuit Company
Clapp's Baby Foods
Curtice Brothers Co.
Heublein & Brothers
Kurtz Brothers
Libby McNeill & Libby
M & C Foods
Marhoefer Pkg. Co.
Max Ams, Inc. (Airline Foods)
National Biscuit Co.
Parrish Brothers
Red Top Canning Co.
Smithfield Ham & Products Co.
Sunshine Biscuits, Inc.
Wixon Spice Co.

Following is a table showing the amount and year of the purchases made by 13 of the 16 companies which bought very little from Gentry between 1951 and 1958:

Company	Gentry's Sales		
	Year	Onion	Garlic
H. C. Brill Co.	1957	1,200	
	1958	2,400	
Cudahy Bros. Co.	1957	1,000	120
John H. Dulany & Son	1952	500	
	1953		54
	1955	1,100	
Glaser Crandell Co.	1957	250	1,350
	1958	400	2,160
I. G. Grass Noodle Co.	1953	450	
Hi Hat Products Co.	1955	1,000	
Jones Chambliss Co.	1951		24
	1952	48	168
	1953	24	120
	1954	322	192
	1955	148	294
	1957	120	
Knickerbocker Mills Co.	1957	34	
I. Miller Pickles, Inc.	1953	1,096	
	1955		2,100
	1956		1,050
Min Sun Trading Co.	1953	48	
Mother Hubbard Cake Co.	1954	32	
Southern Biscuit Co.	1953	200	
J. G. Van Holten & Son	1954	1,020	
Total 1951 to 1958 Sales to all Companies		11,392	7,632

There are 11 companies mentioned in a reciprocity context only in a 1953 letter from Mr. Gifford, Vice President and Secretary of Consolidated, to Consolidated's distribution divisions asking whether the named companies

were suppliers. Gifford states that this information will be used only as a "letter of introduction" and that Gentry would use no pressure tactics which might embarrass the distribution units. (CX 14, R. 2006-2008) This exhibit was not placed in evidence until the cross-examination of Mr. Gifford on March 6, 1961—only four days before Consolidated rested its case. (R. 1719)

Statistics and documentary evidence indicate that even if these companies were Consolidated suppliers and even if reciprocity approaches were made, neither of which appears in the record, Gentry obtained very little business from them. Eight of the 11 have already been discussed in this section. Three of them (M & C Foods, Marhoefer Pkg. Co. and Sunshine Biscuits, Inc.) have purchased no onion or garlic from Gentry between 1951 and 1958 and are listed with other such companies on page 80. Gentry's sales to five others (Cudahy Bros. Co., Glaser Crandell Co., I. G. Grass Noodle Co., Min Sun Trading Co. and Mother Hubbard Cake Co.) have been negligible and are shown on the table on page 81.

The evidence concerning the remaining three companies is as follows:

Custom Food Products, Inc. made only the following purchases from Gentry (RX 155, p. 262):

Year	Onion
1953	212
1954	1,425
1955	5,045
1956	95
1958	30

Notwithstanding that Custom Food Products stopped buying from Gentry, for all practical purposes, in 1955 and buys heavily from Puccinelli (R. 1659-1660; RX 394), it is still an authorized Consolidated supplier. (R. 1740)

Great China Food Products Co. is a Consolidated supplier (R. 396-397) and Gentry's sales were as follows (RX 155, p. 248):

Year	Onion
1953	696
1954	3,690
1955	4,225
1956	2,880
1957	2,880
1958	3,840

Derby Foods, Inc. is a Consolidated supplier and uses more than 10,000 pounds of onion and garlic, but Gentry supplies less than half of its requirements. (RX 402, R. 2670) Gentry's sales to Derby were (RX 155, p. 246):

Year	Onion	Garlic
1950	3,105	
1951	3,000	600
1952	1,000	
1953	1,800	
1954	2,000	
1957	1,000	
1958	1,250	

Thus, Derby has never bought as much from Gentry in any year since Gentry became a part of Consolidated as it did before.

Part II

SUMMARY OF EVIDENCE RELATING TO PRICE, SERVICE AND QUALITY COMPETITION

SUMMARY OF EVIDENCE RELATING TO PRICE, SERVICE AND QUALITY COMPETITION

The Evidence as to Overall Competition

The beginning point with respect to overall competition among the producers of dehydrated onion and garlic is the testimony of Robert Sparling, Sales Manager of Basic Vegetable Products, Inc., Gentry's principal competitor. Commission counsel first elicited the conclusion that Gentry's overall competition had increased since 1951 and that Basic had difficulties in meeting this competition:

> "Q. Subsequent to April 1st, of 1951, and continuing to the present, has the competition manifested by the Gentry Division of Consolidated Foods Corporation increased, decreased, or remained the same? * * *
>
> "The Witness: The competition has increased.
>
> "Q. How has that increased competition manifested itself?
>
> "A. I don't quite understand what your meaning is in the particular—in the particular form?
>
> "Q. Yes.
>
> "A. Originally, we didn't have nearly as many warehouses, and we have been, to be competitive, we had to open many additional warehouses than prior to 1951.
>
> "We have had to add men to our sales force and to give a more, give more service to the customers, we have also had to do considerable work in developing of new products and new ideas to maintain our position in the field, because we seem to be losing business with old buyers." (R. 302-303)

Sparling testified in more detail on this subject:

"Q. What were the reasons for these changes which you made in your pricing methods which you have described?

"A. Well, in the East, we were having a problem in being competitive, and customers were able to buy their merchandise locally, from local warehouses, from locations from warehouse stocks, either maintained by our competitor at their distributor's warehouse; so, we decided to have an f.o.b. delivered price to meet competitive, to meet the competitive situation.

"Q. What competitors do you refer to?

"A. This was Gentry, Inc. • • •

"Q. Don't you ever lose any business because the customer thinks that one of your competitors has a better product?

"A. That probably has happened. • • •

"Q. Don't you lose any business because the customer gets a cheaper price from one of your competitors?

"A. Yes. We have lost business because of a cheaper price." (R. 312-313, 348)

Sparling also expanded his testimony on Basic's difficulties in meeting Gentry's "more keen competition" after 1951:

"[Gentry] began to sell quite extensively through distributors. I am covering a broad period now, while we were not using distributors nearly as extensively. This brought on quite a warehouse problem which had to be met by opening warehouses. • • • The competition seemed to be making much more calls than before, as previously mentioned aggressive sales efforts through the distributors. Their salesmen were doing a much more efficient job." (R. 344)

Thus, the Commission's own witness established that Basic—the largest onion and garlic producer—had difficulty in meeting Gentry's overall competition after 1951.

It is against this background that Dr. Prater, Gentry's President, testified about processing innovations and improvements by different producers. Taking one answer out of context, the Government makes it appear that Dr. Prater was admitting that Gentry was inferior in quality. (Br. 50) While he did testify that Basic had been the leader in processing improvements and innovations, he stated that all competitors had made some improvements and innovations and that every one in the industry, including Gentry, had used them. (R. 1443-1444)

Dr. Prater testified that from 1946 to 1950 Basic was the leading producer of dehydrated onion, having begun in 1932, while Gentry did not enter the industry until 1938. (R. 1449) In 1949, however, Gentry commenced to improve its quality and compete more vigorously. (R. 1445-1448, 1449-1450) From at least 1945 through 1952 Gentry was the acknowledged leader in the garlic market. (R. 1461; RX 207, R. 2518) Gentry did not improve its garlic as fast as Basic did after 1952, but in recent years Gentry has been the leader in using distributors. Gentry was the first to promote granulated garlic and developed a new kind of jar for institutional use. (R. 1426, 1501-1502) Basic's sales manager testified that after 1951 Basic had not developed any new products which it sold. (R. 349)

Dr. Prater admitted that Basic had better raw material procurement (R. 1442, 1495-1499) but also testified that Gentry led in the solution of one of the industry's most difficult processing problems. Wood splinters in the onion and garlic product had been a problem for many years, and

Basic solved it only partially by using plastic trays instead of wood trays on some of its production. Gentry solved the problem to a greater extent by installing metal continuous conveyor dehydration equipment. (R. 677, 680-682, 1446) As a matter of fact, Gentry was the first onion and garlic dehydrator to use this continuous drying method. (R. 1444, 1501-1502) Louis Edwards, Purchasing Agent for Thomas J. Lipton, one of the nation's largest users of dehydrated onion, testified that Lipton's purchases from Gentry increased in the years 1956 to 1959 because Gentry had this new equipment which Basic did not have. (R. 677) Basic did not install this equipment until 1960. (R. 1110) Lipton had received a lot of complaints on splinters in the onions and, at the insistence of Lipton, Basic installed a plastic type tray on some of its production, but Gentry's onion had almost a complete absence of splinters and foreign material and that was one of the big reasons why Lipton gave Gentry more business. (R. 677) Edwards testified that Gentry had made further strides toward the elimination of splinters as compared to Basic. (R. 681-682)

Basic's president testified as follows in 1960:

> "Q. Does Basic presently have any wood splinter problem in the production of its dehydrated onion and garlic, Mr. Hume?
>
> "A. Yes.
>
> "Q. I believe you testified that you still use some wooden trays; is that right?
>
> "A. Yes." (R. 1113)

Thus, Gentry still had a quality edge in 1960. There is conclusive evidence in the record that Gentry's lead in using metal dehydration equipment enabled it to substantially

increase its sales. At Lipton, Snow and Beech-Nut alone, Gentry sold over 1,000,000 pounds more of onion in 1957 than in 1954, solely for this reason. (See pages 13, 42 and 66 of this supplement.)

The evidence establishes, too, that Gentry led its competitors in distribution and pricing competition. (R. 312-313, 344, 1502)

Thus, even if Basic led Gentry in some areas with some customers, the record establishes clearly that Gentry was at least equal to Basic (better than Basic, according to Basic's own sales manager) in overall competition. This being true, it simply cannot be argued on this record that reciprocity kept Gentry's sales of both dehydrated onion and garlic from deteriorating after 1951.

The best evidence of Gentry's equal-if-not-better competition in price, service and quality (particularly as to onion, where it managed to increase its market share after 1955) lies in the documents written by a competitor and in the evidence given by users. The buyers of dehydrated onion and garlic for use in food products are continually and vitally concerned with quality, price and service. As to quality, their decisions were governed in large part by quality control departments and laboratories. Repeatedly, these men testified to Gentry's equality and, in many instances, superiority.

The Documentary Evidence of Gentry's Superior Competition

Documents from Basic's own files written in the years 1951-1958 show that Gentry was fully competitive with Basic in price, service and quality. These documents consist

of sales call reports on a variety of companies written by Basic's salesmen, who would have no reason to exaggerate Gentry's superiority.

Documents Written By A Gentry Competitor Admitting Gentry Superiority

Frank M. Wilson Company, Inc.:

"Gentry met our metal drum price on chopped onion with onion in fibre drums. This results in slight saving to Wilson and they don't have the extra fgt on heavy drums and cost of returning the empties. Also they do not have money tied up in drum deposit." (RX 100, R. 2413)

Les Pommiers Canneries:

"He refuses to accept any more of those very tall drums. Lipton also complained about the very tall drums. It seems they are more difficult to handle, fall over continually, and in the Henri Rethier Plant the women cannot reach over to the bottom of the barrel to get the material, and by being small in diameter they show a large quantity of small and broken material in the bottom of each drum." (RX 57, R. 2370)

Wyler & Company:

"Schild gave us the old story that Gentry's Garlic had better aroma, ours did not give off garlic flavor." (RX 106, R. 2419) "[Jack] said it was the same situation—our lots 110 & S10 were not up to Gentry's, that is it wouldn't give as good a fill." (RX 108, R. 2420) "Wyler also complained that this particular lot didn't flow as freely as Gentry's." (RX 109, R. 2421) "[L]ot I110 • • • was tested by Wyler and found to be not as

free flowing as Gentry material and also to overfill their jars." (RX 110, R. 2422)

Blue Seal Food Products, Inc.:

"Ran [Basic's] lot 200 against Gentry Banner Onion and came out a not too good 2nd. • • • This is by far best showing of any competing sample—even better than Gentry sample we ran at Wyler's which had a slight edge on us." (RX 32, R. 2347)

Armour & Company:

"Armour & Co. in Los Angeles is still not buying from us. They claim they get a better price from Gentry." (RX 13, R. 2331)

Joseph De Frates Company:

"Joe experimented with our sample • • • and there still was a degree of caking. • • • When using Gentry onion this again does not happen. Are contracted with Gentry at the lower prices." (RX 33, R. 2348) "Our onion caused the mixture to cake—Gentry's didn't." (RX 36, R. 2351)

Michigan Mushroom Co.:

"Gentry was trying to take Indiana Mushroom Company, West Terre Haute, Indiana, business by offering to ship onion powder from their Indianapolis warehouse. This question is now up again and unless we can carry a stock of powdered onion at Indianapolis or pro

rate the cartage charges, we are going to lose this business." (RX 66, R. 2378) "Gentry has agreed to supply them with onion powder at $.46 per pound, FOB Chicago for shipment of 1,000 pounds on or before August 15, 1954. We will probably not get this August order unless our price is the same." (RX 63, R. 2376)

Woolson Spice Company:

"The Woolson Spice Company prefers the Gentry item as they can get less material in a jar. * * * We would appreciate having a laboratory report for these two samples and an explanation as to why the Gentry product is less dense than the BASIC product." (RX 102, R. 2415)

Grocery Store Products Company:

"When Grocery Store tested some Chopped Onion we shipped them out of the warehouse they felt that it had more fines in it than the Gentry product and were seriously considering placing some of the business with Gentry." (RX 53, R. 2366)

Venice Maid Company, Inc.:

"He claims that he can buy Gentry's material for less money through a jobber. Told him we would sell at jobber's cost price, at list less 10%, and he promised to place some business with us in the future although they are using principally raw onions." (RX 93, R. 2408)

Testimony Showing Gentry's Superior Competition

The following excerpts from the testimony of knowledgeable buyers are examples of the many instances where Gentry's competition was proven to be equal or superior to other producers. This testimony was given by men who had direct responsibility for purchasing onion and garlic during the years 1951-1958 and thus were the best—and only—persons who had firsthand knowledge of the reasons why Gentry was chosen. In most instances, the witnesses were buyers; in others (particularly smaller companies) the witnesses were executives who personally supervised the buying decisions.

The Court will note that buyers frequently chose only between Basic and Gentry as a leading or second supplier. The other producers (Simplot from 1951 to 1956 and Puccinelli) were generally recognized as not having as good products as the two industry leaders and did not have a complete national selling organization. (See, *e.g.*, R. 694, 760-761, 1512, 1594, 1636) The need to have two sources of supply was repeatedly stressed by the buyers. (See, *e.g.*, R. 675, 847, 1301, 1635-1636)

American Home Foods; John Romei, Purchasing Agent at the Milton plant:

"Q. What factors entered into your decision to commence purchasing from Gentry in 1950?

"A. I would say that we considered it about time that we would have a second supplier on the scene. The Korean War was commencing and we thought it would be good policy to have an insured source of supply. (R. 847)

"Q. It was in 1950, you testified on your direct examination, that you decided to start using Gentry as a second source of supply?

"A. Yes. • • • We consider we have a second supplier and as they earn their way in their volume will increase.

"Q. What do you mean when you say as they 'earn' their way in?

"A. As they become acceptable to plant people through service and quality, consistency of all the factors involved in selling a company. (R. 856)

"Q. What did you mean when you said it was customary to let a supplier earn his way in?

"A. I believe I elaborated that a supplier must perform, quality must be consistent, deliveries on time, laboratory analysis must indicate everything is what we are buying, and personalities enter into the business: likeness for sales people or dislikes. • • • (R. 857)

"Q. Did [Gentry's] service become any better from 1950 to 1955?

"A. Yes." (R. 858)

American Home Foods; Frank Cooley, in charge of purchasing at the Morris Plains plant:

"Q. Did you find that the Gentry product was equal in price, quality and service before you made that first purchase?

"A. Yes, sir, or the first purchase would not have been made. • • •

"Q. Was the quality the same?

"A. According to our research department, they were on an equal basis, approved sources of supply.

"Q. And the service was the same?

"A. Yes." (R. 969)

Beech-Nut Life Savers, Inc.; Robert Robinson, Director of Purchases, explaining why Beech-Nut bought from Gentry after 1954:

"Q. What happened in 1954?

"A. In 1954 we understood that the source of the wood splinters in the Gentry product had been removed.

"Q. How?

"A. The 'source' meaning in their manufacturing processes and this we understood to have been accomplished by removing the wood trays on which dehydrated onions had previously been dried. * * * Mr. Howlett [of Beech-Nut's California office] was asked to determine by a visit to the Gentry plant at Gilroy whether or not the new production facilities would be such that we could reasonably expect that wood splinters would not thereafter appear in the Gentry dehydrated onion product.

"Q. What was the result of his activity?

"A. As a result of his visit to the plant, we did make a purchase of onions from Gentry and, upon his recommendation, after having determined the probability for contamination by wood splinters had been removed." (R. 880-881)

Bluepoints Company, Inc.; Karl Schaeff, who did the onion and garlic purchasing:

"Q. Between 1953 and 1956 you bought most of your onion requirements from Gentry rather than from Basic. What is the reason for that?

"A. My best recollection on that is that the salesman for Gentry called more frequently and therefore got the business. He also arranged for us to buy on a yearly basis, thus insuring a steady supply and guaranteeing a price at which we could purchase for a period of three months during each of the four quarters of the year. * * *

"Q. During this same period of time, let's say 1953 to 1955, along in there, were you being called on by Basic salesmen?

"A. Frankly, I can't remember the Basic salesman's making calls. I don't say he didn't, but they must have been so infrequent that I don't remember him at all." (R. 907)

Blue Seal Food Products, Inc.; James Christian, who was in charge of purchasing for Blue Seal:

"Q. Why did you change to Gentry in [1956]? * * *

"A. Well, Gentry had a better price, and from our analysis of the products we considered it a better product for us for the use we were going to use it for." (R. 1845)

California Packing Corporation; John Brothers, General Purchasing Agent:

"Q. Why did you buy [117,500 pounds] of dehydrated onion from Gentry in 1955?

"A. Well, in the first place, early in the year Gentry offered us a very advantageous contract pricewise for our coming requirements, and in addition our requirements of the item were growing larger, particularly in that year, due to the fact that we decided to pack tomato products in our midwest division." (R. 1170)

Albert Ehlers, Inc.; Albert Keogler, who personally supervised purchasing of onion and garlic:

"Q. Why have you continued to buy dehydrated onion and garlic from Gentry over the years, Mr. Keogler?

"A. Gentry, too, has helped us solve problems and introduce new products.

"Q. Have you worked with any particular Gentry salesman?

"A. Yes, in particular Oscar Schek, although I have worked also with Mr. Farrell.

"Q. And what is your opinion of the service offered by the Gentry sales representative?

"A. Oscar Schek is probably one of the most capable and helpful salesmen I have ever met.

"Q. Has that played any part in your placement of business with Gentry?

"A. Yes. Oscar has been exceptionally cooperative. He has interceded for us with his company in having lab work done. When we ran into problems with certain products, he would go to them, present the problem, have it taken care of, come back with solutions. He has helped us in thinking along the lines that resulted in new products, a saute onion for one, which we worked out with Oscar Schek and marketed that product. We have since marketed minced garlic and a garlic pepper which we have collaborated on." (R. 777)

Grocery Store Products Company: John Ross, President, who had personal knowledge of the purchasing decisions:

"Q. Did your laboratory test [Gentry's onion]?

"A. Yes.

"Q. And did you compare it with the product that you were purchasing from Basic?

"A. Yes.

"Q. How did the products compare quality-wise?

"A. We were at that time buying sliced onions from Basic. We were comparing chips because the Gentry product was chipped, but in character and results they compared very favorably.

"Q. Both products were about the same?

"A. Yes; for our use." (R. 796)

B. Heller & Company; James Heller, who made the onion and garlic purchasing decisions:

"Q. Why did you discontinue buying Basic's material through Chili Products Corporation in 1960?

"A. Two reasons. First of all we sell to what are known as M.I.D. Government Inspected packing plants, and some of the material that was—in fact, it was entirely Basic's, was picked up by the M.I.D. and they objected to iron filings in there, and we had problems with quality. Furthermore we did not achieve the savings that we had expected, so we decided to return to our former source.

"Q. That is Gentry?

"A. Of Gentry, yes." (R. 1628)

Hunt Foods & Industries, Inc.; John Davies, Director of Purchases after 1955:

"Q. [Exhibit 159] shows that you purchased dehydrated onion and garlic from both Gentry and Basic in the year 1956. Why was that?

"A. Well, during the year 1956, being my first year in this position, I relied to a good degree on the performance

and service of the suppliers that Hunt had used previously. We also found that the quality of Gentry's material was equal to Basic. We decided we had sufficient volume and we preferred to have two sources of supply where prices were equal and quality was equal, and we placed our business on that basis." (R. 1081)

Hunt Foods & Industries, Inc.; Irvin Goldoft, Purchasing Agent until 1955:

"Q. Mr. Goldoft, Respondent's Exhibit 159 * * * shows that Hunt purchased dehydrated onion and garlic exclusively from Gentry in the year 1954. Why was that, Mr. Goldoft?

"A. Gentry offered Hunt Foods a price lower than Basic, and for that reason we figured that, as our quality control approved Gentry's samples of onion powder and dehydrated garlic, and also basically approved the both samples, consequently it was just a question of price. As Gentry's was lower, we thought we would give them the business; and we did. (R. 1087)

"Q. In 1954, before you took on Gentry as a supplier, did you have their products tested in your laboratory? * * *

"A. Oh, yes. Yes. See, we're not allowed to buy any condiments whatsoever unless our laboratory okayed and approved the products.

"Q. Now, did you also test Basic's products at about the same time?

"A. Yes. We tested them every year.

"Q. And what were the laboratory findings with reference to that particular testing?

"A. The laboratory findings were that we were free to buy either Gentry or Basic." (R. 1090)

Kearns & Smith Spice Company; Wilfred Dyon, who was responsible for selecting sources of supply:

"Q. Mr. Dyon, why did you start purchasing from Gentry in substantial quantities in 1958?

"A. They asked us to be a distributor and we wanted to be a distributor for them. We liked their quality, their service." (R. 1807)

Les Pommiers Canneries; Henri Rethier, who made all purchases:

"Q. Mr. Rethier, why did you buy the 3,055 pounds of onion from Gentry in 1954?

"A. We are going back to my not liking to sign a contract with Basic. Meanwhile, the quality of Gentry onion was surpassing Basic. (R. 988)

"Q. This letter of November 7, 1953 [RX 150, R. 2460] that you have in front of you states that you would like to request chubby barrels from Basic. Did Basic send their product to you in chubby barrels as a result of this request?

"A. No.

"Q. What kind of barrels did Gentry have in 1954, when you got the onion from them?

"A. They were very short and very wide.

"Q. Would you explain why you say here, 'I don't like those tall barrels, as the women cannot get to the bottom of them and they are an unnecessary inconvenience.' Will you explain a little more what the problem is with the tall barrels, Mr. Rethier?

"A. Yes. The barrel was very narrow and much higher than an ordinary woman. She had difficulty to pick up the

merchandise, the onion, to put on the tray, in which she had to dip a measure with each can of onion. That's one of the reasons. Another reason is, those barrels you can see when you came half away that they were very broken. There were no longer flakes. That had a tendency to be the cause from transportation.

"Q. Does Basic still ship you onion in the tall barrel?

"A. Yes. (R. 989)

"Q. You have already testified, Mr. Rethier, as to why you purchased from Gentry in 1954. Why did you purchase from Gentry in the years after 1954? Why did you continue buying from Gentry?

"A. The reason is that the merchandise was very satisfactory.

"Q. And they supplied you the products in the kind of barrels that you liked?

"A. Yes, sir." (R. 991)

Thomas J. Lipton, Inc.; Louis Edwards, Purchasing Agent:

"Q. * * * Why specifically did you increase your purchases from Gentry in the year 1950?

"A. Well, it became apparent, Mr. Walker—I will rephrase it this way. No prudent purchasing agent wants to have one source of supply. It was apparent that the volume that we would have would call for a good solid second source of supply. That is the reason why we began to introduce Gentry in a more substantial way.

"Q. I wonder if you would expand on that a little. Would you explain why it is important to your business, as you said, to have a second source of supply?

"A. Well, the dehydrating business deals with heat. If a man's plant burned down, I would be out on the end of a limb looking for suppliers. If he had a strike, in the case of war, and so forth, it is just good sound business to have a second source of supply if your tonnage is big enough. (R. 675)

"Q. * * * [S]ince 1955, your purchases from Gentry have increased very substantially. Aside from this two source of supply factor which you mentioned, what other factors are there, if any, that account for those increased purchases from Gentry in the years 1956 to 1959?

"A. If I recall correctly, Gentry had a new type of dehydration which appealed to me very much. It is known as Procter and Schwartz drying. Basic did not have it. They had what is known as the tunnel-type drying, a convection type drying over wood trays. * * * We had a lot of complaints from our trade on splinters in the onions. A wood splinter and a dehydrated onion chip look very much alike. They are very hard to detect. At our insistence, Basic installed a plastic type tray, which eliminated to a great extent the splinter problem, but the Procter and Schwartz type of drying has almost a complete absence of wood splinters and foreign material. * * * (R. 676-677)

"Q. On your direct examination, you testified that you received complaints from the trade about splinters in dehydrated onion. Who made those complaints?

"A. The housewife who bought the soup. (R. 680)

"Q. Did [Gentry and Basic] use these wooden trays?

"A. Basic had gotten partially into the plastic tray, which doesn't have the splinter tendency. Gentry was still using some of the wood trays but, as I mentioned on direct examination, they had gotten into this Procter & Schwartz stainless steel type drying which has no wood in it. No wood

comes in contact with the product, so they had made further strides toward the elimination of splinters and foreign materials as compared to Basic." (R. 681)

Louis Milani Foods, Inc.; Louis Blackstone, Purchasing Agent:

"Q. Mr. Blackstone, why have you purchased dehydrated onion from Gentry since 1950?

"A. Gentry in these cases has been listed as an alternate supplier, and in some cases Gentry has specialty items in onion that either we find superior to other suppliers or that I would say no other supplier has." (R. 1051)

Moore & Company Soups, Inc.; Francis Castelli, who controlled the sources of supply for onion and garlic:

"Q. Why did you choose Gentry as your source of supply when you switched to dehydrated onion in 1946?

"A. Because I found them to have the most constant product, and also they went out of their way to cut the onion in the way I wished it to be cut, sliced. They cooperated with me since the very beginning. * * * They had gone to some trouble in doing things according to the wishes that I had. Naturally, the price was right and they treated me all right and it was a sense of loyalty to them." * * * (R. 934, 938)

Morgan Packing Company, Inc.; Ivan Morgan, who made all important purchasing decisions:

[Note: The witness is explaining the reason for buying from Gentry, although Basic was Morgan's principal supplier. Morgan testified to the company policy of developing alternative sources of supply (R. 1299), and then testified as follows]:

"Q. • • • [W]hat accounts for the small purchases of onion and garlic from Gentry in 1951?

"A. The reason for this would be obviously that we were merely trying out this product in some of our products.

"Q. Why would there have been no purchases from Gentry in 1952?

"A. Well, that, as I previously stated, is about the time that it would take to do what we call properly seasoning our products to find the result.

"Q. Then, if you look at Respondent's Exhibit 190, you will see that your company bought 10,500 pounds of onion from Gentry in 1953. What would be the reason for that purchase, or those purchases?

"A. I would say the reason for that purchase would have been that we found the onion satisfactory, and we decided to make a more extensive test or use of it.

"Q. Why have your purchases from Gentry continued since 1953?

"A. As soon as we secured the approval of the product to my satisfaction of the quality, we naturally give to the suppliers sufficient business to keep him, you might say, interested, or at least to keep him partially happy. Because otherwise he would not be a source of supply, and would be unable, or not have the inclination to furnish us the quantities we needed when we needed it." (R. 1301)

Mutual Spice Company; Samuel Kaltman, who purchased onion and garlic:

"Q. What accounts for the large increase in your purchases of dehydrated onion and garlic from Gentry in the year 1955?

"A. As I started to explain, the demand for onion and garlic is increasing constantly due to the public relations efforts of not only the American Spice Trade Association but the American Dehydrated Onion and Garlic Association in California, of which Gentry is a member.

"Q. When did you become a distributor for Gentry, Mr. Kaltman?

"A. We became a distributor for Gentry, I think, in 1958.

"Q. How did you happen to become a distributor of Gentry's institutional pack items?

"A. We found that the demand created by the publicity was there and we decided to take advantage of it. We found that our brokers could easily sell the Gentry onion and garlic products. (R. 810)

"Q. * * * Now, between 1955 and 1958—specifically in the year 1957 and also in 1956—your purchases of dehydrated onion were higher than in prior years. In 1957, your purchases of dehydrated garlic were considerably higher than in prior years. What accounts for that increase in those two years, Mr. Kaltman?

"A. I would say, in my opinion, that, number 1, the Gentry sales organization did an excellent job of educating the chefs and cooks in the restaurant industry of the desirability of using dehydrated onion and garlic as against the raw products, and their packages were right and easy to handle and we found that it was an easy adjunct and a profitable one to our spice line which we sell to the institutional jobbers, who in turn resell to the various restaurants. Our brokers were selling more and more of it, and that's the simple answer.

"Q. Are you still a Gentry distributor, Mr. Kalman?

"A. I am." (R. 811)

Quaker Oats Company; Kenneth Tilden, Manager of Purchasing:

"Q. Now, this exhibit indicates that your purchases from Gentry increased substantially in 1955. What were the reasons for this?

"A. Well, I had taken over the job as manager, and prior to that time the policy was not to have more than one supplier. It was a very strong feeling of mine that we should have in every case that we could more than one supplier. So at that time I made the decision to split our business, and in addition to that, our business over a period of years had grown to the point where it was feasible to do so. • • •

"Q. Did you consider Puccinelli as a second source of supply at that time?

"A. No.

"Q. Why not?

"A. To the best of my recollection, we didn't approve of Puccinelli, and we wanted only two main sources of supply. It was also due to the fact that the representative in Chicago was a jobber, and they didn't call on us regularly as the sales people for the other organizations had done; nor did they call on our laboratory as the others do. We felt that it was good business to go to the two prime suppliers, Basic and Gentry. We do not need the third supplier.

"Q. Why do you feel a need for a strong second source of supply on dehydrated onion and garlic? Why did you feel that so strongly in 1955, Mr. Tilden?

"A. I felt that prior to 1955 we had been trapped once or twice when the plant would be on strike, or would have a fire, or that particular area would be tied up by a railroad strike. Also it was best in my estimation to have two sources of supply for everything that we possibly could." (R. 1635-1636)

Recipe Foods, Inc.; I. S. Rosen, who made all source-of-supply decisions:

"Q. Why have you purchased practically all of your requirements of dehydrated onion and garlic from Gentry?

"A. I found their quality satisfactory, the service was good. They have taken care of my requirements. The price was competitive and I enjoy doing business with the firm, or at least the representatives who call on me. (R. 717)

"Q. What function does your laboratory play, Mr. Rosen, in the selection of sources of supply for your ingredients?

"A. The laboratory is practically the ultimate in the selection. They report the quality of the product, and this is one of the most important factors in our purchasing of raw material.

"Q. To what extent have the Gentry salesmen worked with your lab people in connection with your products?

"A. On several occasions we have asked them for some technical assistance in the handling of onion and garlic products in new products. They have given us this assistance and helped us in this manner in the development of some new products. (R. 718-719)

"Q. * * * Have you ever felt personally that Basic has a better quality onion or garlic at the same price as Gentry?

"A. No." (R. 732)

P. J. Ritter Company: Glen Knaub, Vice President for Procurement and Director of Purchases:

"Q. Why then, Mr. Knaub, do your purchases from Gentry pick up again in 1954 and continue in substantial amounts thereafter?

"A. At that point, as I recall, they made some changes in their processing equipment, in their methods, which they claimed would give a very uniform quality product and which has from that point on.

"Q. Do you recall what those changes in processing methods were, Mr. Knaub?

"A. Not too specifically, except that I know it had something to do with the method of conveying the raw onion through the dehydrating ovens, which apparently is one of the very important factors in getting uniform quality and retaining the pungency of the onion. (R. 741)

"Q. Since about 1954 or 1955, Mr. Knaub, in your opinion, has Gentry had as good quality dehydrated onion and garlic as Basic?

"A. Generally speaking, yes." (R. 761)

F. H. Snow Canning Co., Inc.: Harold Snow, who made the purchasing decisions:

"Q. Why did you buy again from Gentry in 1955, then?

"A. About that time, of course, I had repeated calls by the salesman and I just told them that that was the situation. We wouldn't be able to go along with any more. He assured us that that problem would be—that we wouldn't have that problem any more. He asked for permission to book another car on that basis. I went along with the understanding that it would be free of [wood] chips, and it was, as a matter of fact.

"Q. Did he tell you why he thought it would be free of chips?

"A. Yes, he did.

"Q. Why?

"A. It had something to do with the employment of stainless steel handling equipment as compared to wood, which had been used in the past.

"Q. Why did you continue buying from Gentry after 1955?

"A. We found the quality completely satisfactory and we continued on with a two source of supply arrangement, which we have to this day.

"Q. Were there any other reasons, Mr. Snow?

"A. No, there are no other reasons. We like our men who use the onion in the product—they like the large chopped variety of onion that Gentry supplied a little better than the Basic product, and that accounts for the fact that there was more of the Gentry used during those three years than the Basic, but there were no other reasons." (R. 700-701)

Standard Brands, Inc.; Bernard McIntyre, Purchasing Agent:

"Q. Why did you buy your powdered onion for those products from Gentry during [1946 to 1956]?

"A. We had used Gentry's products and found the quality and service to be good. We were able to obtain a quality product. That is why we purchased from them.

"Q. [Respondent's Exhibit 147] shows a large increase in your purchases of dehydrated onion in 1957, from 1,050 pounds in 1956 to a little over 58,000 pounds in 1957. * * * What product was [that increase] used in?

"A. Chicken soup base.

"Q. When was that product developed?

"A. In 1957.

"Q. What kind of dehydrated onion is used in the chicken soup base?

"A. Onion powder.

"Q. What source of supply have you used for that powdered onion?

"A. Gentry.

"Q. Only Gentry?

"A. Yes, sir.

"Q. Why?

"A. When this product was developed by our research department, they gave us the formula and also a list of possible suppliers whose products had been tested and proved to be satisfactory for our chicken soup base. We in the Peekskill plant had some of this material, the onion powder, on hand from our rye flavor and rye sour, and we ran a pilot plant, a production run to test it. We found that it gave us what we considered to be a quality product; we just expanded our purchases of this product from Gentry. (R. 973-974)

"Q. What type of laboratory control is exercised after a product goes into production at your plant?

"A. You say after it goes into production?

"Q. Yes, sir.

"A. We cannot purchase any material unless it meets laboratory specifications. On all deliveries of raw material, all shipments, I should say, that is laboratory-tested. It

must meet laboratory specifications before it is placed into our production." (R. 976)

Swift & Company; Robert Shaw, in charge of purchasing onion and garlic:

"Q. Why did you decide to give more of the overall during [1956 to 1958] to Gentry rather than to Basic?

"A. When you look at the two together, there is not a great deal of difference. We did have some quality problems with Basic's onion powder, I believe, in some of these years.

"Q. Would you please describe, Mr. Shaw, the procedures followed during the years that are shown on this exhibit in determining your sources of supply for dehydrated onion and garlic?

"A. The procedures we follow in the purchase?

"Q. Yes.

"A. The laboratory and operating department furnish specifications which are passed along to suppliers and we request samples for evaluation. The samples are evaluated in the laboratory. Representatives of the commercial department, the operating department, the laboratory and purchasing are present at the time of evaluation and selection is made of the best value at the time." (R. 1586)

Swift & Company; Cleo Rinehart, analytical chemist who made the onion and garlic laboratory tests for Swift:

"Q. Overall these entries indicate which company had the best onion?

"A. I would say after 1956 that we had less trouble with Gentry's onion powder than Basic's.

"Q. And what about the garlic?

"A. There is not too much difference in garlic. They were both satisfactory as to bacteria count. * * * This gives the bacteria counts on three onion powders. Gentry was the best by far. Basic's onion powder would be borderline and Puccinelli's unsatisfactory. On garlic, Gentry is the best; Basic's would be satisfactory and Puccinelli unsatisfactory." (R. 1593-1594)

Thomson & Taylor Spice Company; John Warfield, who made the purchasing decisions:

"A. * * * Taking the period since 1956, which I believe would apply to the prior years, we purchased onion and garlic products from Gentry because we were satisfied with the product, and their service, and their prices. Also, since 1956, the Gentry Chicago office has cooperated very closely with us in referring smaller accounts to us for distribution of their products, and in general they have aided in the sale of these items. * * * Since 1956 practically without exception we have handled only Gentry's dehydrated onion and garlic because it was advantageous to us to get the lowest quantity prices and get shipments from the West Coast." (R. 1409-1410)

Universal Foods Corporation; Sol Garvin, Purchasing Agent:

"A. Well, in making any determination on our purchasing of products, we always consider price, quality and service, but before we do that, especially in raw materials we have our own laboratories to test the various products. If the laboratory comes up with an equal result in, say, more than one case, then the decision is usually based on whatever would be better, the service, the quality or the price, or a combination thereof. It is on that basis, of course, that we have continued to purchase from Gentry.

"Q. Have you tested the products of any of Gentry's competitors?

"A. Over the years, yes.

"Q. Why have you not purchased any dehydrated onion from any of Gentry's competitors?

"A. Because they have not been able to give us better product, price or service. (R. 1507)

"Q. Have you ever been approached by Basic or Puccinelli?

"A. As I can best recall, I think the last time Basic called upon us was at least two or three years ago. I haven't heard from Puccinelli in I don't know how many years. (R. 1512)

"Q. About how often does the Gentry representative call on you?

"A. Four or five times a year. (R. 1513)

"A. . . . Another thing that I failed to mention before was that we require a very large toasted onion flake, an extremely large one for certain special reasons regarding a particular soup mix which we make. They are not always all able to supply that particular size to us. That is important as far as we are concerned. One of the items particularly that Basic called on us about, I remember they had the proper product, but they didn't have the proper size.

"Q. What year was that, sir?

"A. I would say it is at least three years ago." (R. 1514-1515)

Frank M. Wilson Company, Inc.; William Lester, who did the purchasing:

"Q. And what did you find in the years shortly after you came there [1946] and continued the policy of buying from Gentry, as to Gentry's quality and service?

"A. It was good. (R. 1159)

"Q. Why did you switch to Gentry for your source of supply for white onion chips in 1954?

"A. We had been buying some Basic in a galvanized iron drum which required a deposit. They paid the freight back on it, and we paid the freight in. Gentry offered to meet the freight rates to Vacaville, and supply the product in a fibre drum which would require no deposit and we would not have to worry about the return. (R. 1160-1161)

"Q. Since 1954 has Basic been equal to or better than Gentry in price, service and quality?

"A. No, they haven't, on account of the drum situation." (R. 1163)

Wyler & Company; Silvain Wyler, who selected all sources of supply:

"Q. Why did you switch from Basic to Gentry as your major source of supply for large onion flakes about 1948?

"A. Well, Mr. Clausen, Sr. I knew very well and he made a g. at effort to meet the specifications and he developed a large onion flake which filled very nicely our consumer container. He came very often and we developed the business and he promoted some products and then went on with Gentry. (R. 1779)

"Q. When you started packing onion powder in 1950

or '51, from which company did you buy your onion powder?

"A. From Gentry.

"Q. Why did you buy onion powder from Gentry for that product?

"A. We were very well satisfied with the increased sales of garlic and their salesmen really promoted and encouraged us to add a new package of onion powder and so we continued to buy from Gentry.

"Q. Which company did you use as your source of supply for instant onion when you introduced that product in 1956?

"A. Well, there again I think his name was Kraham, a salesman of Gentry, promoted that new package. He came to us and encouraged us to pack such a new unit and we bought it from Gentry because they could meet our specifications with the right kind of onion flake to fill our jar. So we bought it from Gentry.

"Q. Could Basic meet that specification in 1956?

"A. At that time no, they had a minced onion but the density of specification was not filling our retail container for the same weights." (R. 1780-1781)

EXPLANATION OF RECORD SOURCES FOR DATA

A general description of record sources for data follows:

1. Major Gentry Customers. Listed in RX 411 are the 190 Gentry customers which bought more than 10,000 pounds of dehydrated onion and garlic in any one year from 1951 to 1958. The 82 which have sold nothing to Consolidated during that period are identified in RX 191 (R. 2489-2502). Gentry's annual sales to these major customers, individually and in the aggregate, are shown in RX 411-413, a series of IBM tabulations prepared for this case but not printed in the record with the permission of the court of appeals.

2. Gentry's Sales to Individual Companies. When each customer witness was called, Consolidated placed in evidence a data sheet showing the company's annual purchases of dehydrated onion and garlic. These exhibits are cited in each of the company discussions contained in this supplement. The figure of 3,065,972 pounds representing Gentry's 1958 sales to all of these companies was obtained by adding the appropriate figures from each of the data sheets. Gentry's sales in pounds to each of its customers in each year from 1946 to 1958 are included in RX 154-157, which, with the court of appeals' permission, have not been printed in the record.

3. Total Gentry Sales. Annual sales of dehydrated onion and garlic by Gentry and each of its competitors in the years 1946-1958, in pounds and dollars, are shown in RX 165, 166, 170, 171 (R. 2471, 2472, 2476, 2477).

4. Sales by Gentry's Competitors to Individual Companies. For practically all of the companies from which witnesses were called, the data sheets described in Note 2, above, showed purchases from Gentry's competitors. Also, Commission counsel placed in evidence a tabulation, CX 219 (R. 2305), showing Basic's sales

during the years 1949 to 1957 to a number of companies, including some from which no witnesses were called.

5. Conversion of Pound Sales to Dollar Sales. All of the above figures on sales by Gentry and its competitors are given in pounds. These can be roughly converted into dollars by using the average prices shown in RX 169 (R. 2475).

6. Consolidated's Purchases from Individual Companies. In most instances, these figures were placed in evidence through the company witnesses. As to others, the data is derived from estimates of purchases given by representatives of each of Consolidated's wholesale and retail units who were called by Commission counsel. (R. 380-646).

ALPHABETICAL LIST OF ALL COMPANIES DISCUSSED IN THE ANALYSIS OF RECIPROCITY EVIDENCE BY COMPANIES

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American Home Foods	5
Armour & Company	9
Bedford Products, Inc.	12
Beech-Nut Life Savers, Inc.	13
Blue Seal Food Products, Inc.	15
Bluepoints Company, Inc.	18
H. C. Brill Co.	81
Burry Biscuit Company	80
Campbell Soup Company	20
Clapp's Baby Foods	80
College Inn Food Products, Inc.	22
Columbia Conserve Co.	24
Cudahy Bros. Co.	81
Curtice Brothers Co.	80
Custom Food Products, Inc.	82
Joseph F. De Frates Company	24
Derby Foods, Inc.	83
John H. Dulany & Son	81
Gerber Products Company	25
Gibbs & Co.	28
J. J. Gielow & Sons, Inc.	28
Glaser Crandell Co.	81
I. G. Grass Noodle Co.	81
Great China Foods Products Co.	83
Grocery Store Products Company	30
Habitant Soup Co.	33
Hi Hat Products Co.	81

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George A. Hormel & Co. 33
Heublein & Brothers 80
Hunt Foods & Industries, Inc. 34

Illinois Meat Company 37

Jones Chambliss Co. 81

Knickerbocker Mills Co. 81
Kurtz Brothers 80

Lake Odessa Canning Co. 39
Les Pommiers Canneries 39
Libby McNeill & Libby 80
Thomas J. Lipton, Inc. 42

M & C Foods 80
Marhoefer Pkg. Co. 80
Max Ams, Inc. (Airline Foods) 80
Oscar Mayer & Company 44
McCormick & Company 46
Michigan Mushroom Co. 47
I. Miller Pickles, Inc. 81
Min Sun Trading Co. 81
Moore & Company Soups, Inc. 49
Morgan Packing Company, Inc. 52
Mother Hubbard Cake Co. 81

National Biscuit Co. 80

Parrish Brothers 80
Phillips Packing Co. 54

Quaker Oats Company 55

J. L. Read Foods, Inc. 57
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Red Top Canning Co. 80
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P. J. Ritter Company 62
Rival Packing Co. 22

Smart & Final Co. 65
Smithfield Ham & Products Co. 80
F. H. Snow Canning Co., Inc. 66
Southern Biscuit Co. 81
Sunshine Biscuits, Inc. 80
Swift & Company 68

J. G. Van Holten & Son 81
Venice Maid Company, Inc. 70

Wass Food Products Company 73
Frank M. Wilson Company, Inc. 74
Wixon Spice Co. 80
Woolson Spice Company 75
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ALPHABETICAL INDEX TO MAJOR GENTRY CUSTOMERS NOT MENTIONED IN THE COMMISSION'S EVIDENCE FROM WHICH WITNESSES WERE CALLED

Company	Record Page
California Packing Corporation	1164
California Vegetable Concentrates, Inc.	1126
Albert Ehlers, Inc.	772
Fearn Foods, Inc.	1752, 1761
Frank Tea & Spice Company	798
R. T. French Company	858
General Foods Corporation	815, 1744
Griffith Laboratories, Inc.	1820
S. Gumpert & Company	915
B. Heller & Company	1624
Kearns & Smith Spice Company	1804
Kern Foods, Inc.	1032
Lawry's Foods, Inc.	1256
McClintock-Stern Co., Inc.	1261
Louis Milani Foods, Inc.	1046
Mutual Spice Company	806
Sokol & Company	1689, 1809
Standard Brands, Inc.	971
Wm. J. Stange Co.	1763
Stokely-Van Camp, Inc.	1363

Company	Record Page
Sunshine Specialty Products Co.	1058
G. S. Suppiger Co.	732
Thomson & Taylor Spice Company	1406
Universal Foods Corporation	1504
Wilson & Company	1414

Statistics and Record Citations in Support of Chart Showing 1957 Onion Sales by Gentry and Its Competitors To Groups of Companies Chosen by the Government

Company	Group*	Pounds of Onion Sold in 1957 By: Gentry	Pounds of Onion Sold in 1957 By: Competitors	Record Sources for Data
American Home Foods	1, 2, 3	411,525	708,090	RX 135, R. 2447; RX 146, R. 2456
Max Ams, Inc. (Airline Foods)	3	0	Unavailable	RX 155-157
Armour & Company	1, 3	5,010	103,950	RX 381, R. 2642; CX 219, R. 2305
Bedford Products, Inc.	3	0	0	RX 156; CX 219, R. 2305; CX 220
Beech-Nut Life Savers, Inc.	2, 3	38,008	53,000	RX 138, R. 2450
Bluepoints Company, Inc.	2, 3	0	0	RX 141, R. 2453; R. 901-904
Blue Seal Food Products, Inc.	3	4,250	2,100	RX 416, R. 2682
H. C. Brill Co.	3	1,200	Unavailable	RX 156
Burry Biscuit Company	3	0	Unavailable	RX 155-157
Campbell Soup Company	3	0	0	R. 953
Clapp's Baby Foods	3	0	Unavailable	RX 156
College Inn Food Products, Inc.	3	5,960	0	CX 219, R. 2305; RX 155
Columbia Conserve Co.	3	0	Unavailable	RX 411
Cudahy Bros. Co.	3	1,000	Unavailable	RX 157
Curtice Brothers Co.	3	0	Unavailable	RX 156
Custom Food Products, Inc.	3	0	Unavailable	RX 155
Joseph F. De Frates Company	3	9,800	626	RX 411; CX 219, R. 2305
Derby Foods, Inc.	3	1,000	Unavailable	RX 155
John H. Dulany & Son	3	0	Unavailable	RX 156

Company	Group*	Pounds of Onion Sold in 1957 By		Record Sources for Data
		Gentry	Competitors	
Gerber Products Company	2, 3, 4	20,000	195,000	RX 415, R. 2681
Gibbs & Co.	3	0	Unavailable	RX 156
J. J. Gielow & Sons, Inc.	1, 2, 3, 4	11,490	0	RX 380, R. 2641
Glaser Crandell Co.	3	250	Unavailable	RX 155
I. G. Grass Noodle Co.	3	0	Unavailable	RX 155
Great China Foods Products Co.	3	2,880	Unavailable	RX 155
Grocery Store Products Company	2, 3, 4	0	50,000	R. 787; RX 130, R. 2444
Habitant Soup Co.	3	46,328	Unavailable	RX 411
Heublein & Brothers	3	0	Unavailable	RX 155-157
Hi Hat Products Co.	3	0	Unavailable	RX 157
George A. Hormel & Co.	3, 4	50	23,250	RX 155-157; CX 219, R. 2305
Hunt Foods & Industries, Inc.	2, 3	56,500	324,000	RX 159, R. 2465
Illinois Meat Company	1, 3, 4	50	15,600	RX 409, R. 2679
Jones Chambliss Co.	3	120	Unavailable	RX 155
Knickerbocker Mills Co.	3	34	Unavailable	RX 156
Kurtz Brothers	3	0	Unavailable	RX 155-157
Lake Odessa Canning Co.	3	0	0	RX 156; CX 219, R. 2305
Les Pommiers Canneries	3	600	2,120	RX 149, R. 2459

* The groups are as follows:

Group 1: The 8 companies chosen by the Solicitor General.

Group 2: The 17 companies chosen by Commission counsel in the Seventh Circuit.

Group 3: The 70 companies mentioned in the reciprocity evidence introduced by Commission counsel.

Group 4: The 9 companies chosen by the Hearing Examiner.

Statistics and Record Citations in Support of Chart Showing 1957 Onion Sales by Gentry and Its Competitors To Groups of Companies Chosen by the Government (Continued)

Company	Group*	Pounds of Onion Sold in 1957 By: Gentry	Pounds of Onion Sold in 1957 By: Competitors	Record Sources for Data
Libby McNeill & Libby	3	0	Unavailable	RX 155-157
M & C Foods	3	0	Unavailable	RX 155-157
Marhoefer Pkg. Co.	3	0	Unavailable	RX 155
Oscar Mayer & Company	1, 3	0	61,500	RX 373, R. 2639
McCormick & Company	2, 3	22,200	294,943	RX 419, R. 2684
Michigan Mushroom Co.	3	0	2,025	CX 219, R. 2305; RX 156
Indiana Mushroom	3	1,000	10,025	CX 219, R. 2305; RX 155
Aurora Frozen Foods	3	4,500	6,750	CX 219, R. 2305; RX 155
Olympia Mushroom Farms	3	6,500	0	CX 219, R. 2305; RX 157
I. Miller Pickles, Inc.	3	0	Unavailable	RX 156
Min Sun Trading Co.	3	0	Unavailable	RX 155
Moore & Company Soups, Inc.	3	3,600	5,550	RX 143, R. 2455
Morgan Packing Company, Inc.	2, 3, 4	7,500	83,125	RX 190, R. 2488
Mother Hubbard Cake Co.	3	0	Unavailable	RX 155
National Biscuit Co.	3	0	Unavailable	RX 156
Parrish Brothers	3	0	Unavailable	RX 155-157
Phillips Packing Co.	2, 3, 4	750	Unavailable	RX 156
Quaker Oats Company	3	9,900	49,500	RX 384, R. 2646
J. L. Read Foods, Inc.	1, 2, 3	20,704	97,630	RX 414, R. 2680

Company	Group*	Pounds of Onion Sold in 1957 By		Record Sources for Data
		Gentry	Competitors	
Recipe Foods, Inc.	3	22,662	0	RX 125, R. 2440
Red Top Canning Co.	3	0	Unavailable	RX 155-157
Red Wing Co.	3	0	Unavailable	RX 156
P. J. Ritter Company	2, 3, 4	13,850	20,750	RX 126, R. 2441
Rival Packing Co.	3	40,080	0	CX 219, R. 2305; RX 411
Smart & Final Co.	3	1,205	0	RX 155; R. 310
Smithfield Ham & Products Co.	3	0	Unavailable	RX 155-157
F. H. Snow Canning Co., Inc.	2, 3, 4	69,900	20,100	RX 124, R. 2439
Southern Biscuit Co.	3	0	Unavailable	RX 157
Stokely-Van Camp, Inc.	2	51,000	Unavailable	RX 196, R. 2503; R. 1367
Sunshine Biscuits, Inc.	3	0	Unavailable	RX 155; RX 156
Swift & Company	3	37,145	9,125	RX 374, R. 2640
J. G. Van Holten & Son	3	0	Unavailable	RX 157
Venice Maid Company, Inc.	3	39,980	0	RX 393, R. 2661
Wass Food Products	3	32,485	0	RX 411; CX 219, R. 2305
Frank M. Wilson Company, Inc.	1, 2, 3	150	0	RX 172, R. 2478
Wixon Spice Co.	3	0	Unavailable	RX 155
Woolson Spice Company	1, 2, 3	50,903	10,535	RX 198, R. 2505
Wyler & Company	2	113,404	3,500	RX 406, R. 2677

* The groups are as follows:

Group 1: The 8 companies chosen by the Solicitor General.

Group 2: The 17 companies chosen by Commission counsel in the Seventh Circuit.

Group 3: The 70 companies mentioned in the reciprocity evidence introduced by Commission counsel.

Group 4: The 9 companies chosen by the Hearing Examiner.

STATISTICS AND RECORD CITATIONS IN SUPPORT OF CHART SHOWING 1957 ONION AND GARLIC SALES BY GENTRY AND ITS COMPETITORS TO CERTAIN GROUPS OF COMPANIES

The Hearing Examiner's Nine Companies

Company	Sales by Gentry	Sales by Gentry's Competitors	Record Sources of Data
Gerber Products Company	20,000	195,000	RX 415, R. 2681
J. J. Gielow & Sons, Inc.	25,000	0	RX 380, R. 2641
Grocery Store Products Company	0	50,000	R. 787; RX 130, R. 2444
George A. Hormel & Co.	770	29,730	CX 219, R. 2305; RX 156; RX 157
Illinois Meat Company	50	15,600	RX 409, R. 2679
Morgan Packing Company, Inc.	9,240	86,365	RX 190, R. 2488
Phillips Packing Co.	1,470	Unavailable	RX 156
P. J. Ritter Company	14,870	21,320	RX 126, R. 2441
F. H. Snow Canning Co., Inc.	70,500	20,100	RX 124, R. 2439
TOTAL.....	141,900	418,115	

The Solicitor General's Eight Companies

Company	Sales by Gentry	Sales by Gentry's Competitors	Record Sources of Data
American Home Foods	492,405	831,270	RX 135, R. 2447; RX 146, R. 2456
Armour & Company	5,010	144,270	RX 381, R. 2642
J. J. Gielow & Sons, Inc.	25,400	0	RX 380, R. 2641
Illinois Meat Company	50	15,600	RX 409, R. 2679
Oscar Mayer & Company	0	66,960	RX 373, R. 2639; R. 1559
J. L. Read Foods, Inc.	23,515	101,075	RX 414, R. 2680
F. M. Wilson & Company	150	0	RX 172, R. 2478
Woolson Spice Company	104,182	11,291	RX 198, R. 2505
TOTAL.....	650,712	1,170,466	

TABLE SHOWING RECORD PAGES AT WHICH EXHIBITS CITED IN THE BRIEF AND SUPPLEMENT WERE RECEIVED IN EVIDENCE

Commission Exhibits

Exhibit Number	Record Page
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RX 146	965
RX 148	985
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RX 150	1611*
RX 154 to RX 157	1742*
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RX 190	1298
RX 191	1324
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RX 227	1477
RX 228	1477
RX 373	1557
RX 374	1585
RX 380	1599
RX 381	1612
RX 382	1614
RX 383	1614
RX 384	1634
RX 393	1642
RX 394	1660
RX 395	1666
RX 402	1738
RX 406	1782
RX 409	1818
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RX 415	1840
RX 416	1845
RX 419	1872

* Reference is to pages of the transcript of proceedings which were not included in the printed record.